

SENATE BILL No. 619

November 19, 1991, Introduced by Senator N. SMITH and
referred to the Committee on Finance.

A bill to amend sections 22, 31, 37, 45, 49, and 62 of Act
No. 186 of the Public Acts of 1973, entitled

"Tax tribunal act,"

section 37 as amended by Act No. 23 of the Public Acts of 1987
and sections 45, 49, and 62 as amended by Act No. 437 of the
Public Acts of 1980, being sections 205.722, 205.731, 205.737,
205.745, 205.749, and 205.762 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 22, 31, 37, 45, 49, and 62 of Act
2 No. 186 of the Public Acts of 1973, section 37 as amended by Act
3 No. 23 of the Public Acts of 1987 and sections 45, 49, and 62 as
4 amended by Act No. 437 of the Public Acts of 1980, being sections
5 205.722, 205.731, 205.737, 205.745, 205.749, and 205.762 of the
6 Michigan Compiled Laws, are amended to read as follows:

1 Sec. 22. (1) The members of the tribunal shall be citizens
2 of the United States ~~—~~ AND residents of this state. ~~—~~ of
3 ~~which at least~~ NOT LESS THAN 2 MEMBERS OF THE TRIBUNAL shall be
4 attorneys admitted to practice in this state and shall have been
5 engaged for at least 5 years immediately preceding the appoint-
6 ment in active government, corporate, or private practice dealing
7 with federal and ~~state-local~~ STATE OR LOCAL tax matters,
8 including the property tax, or in the discharge of a judicial or
9 quasi-judicial office. ~~—~~ ~~at least~~ NOT LESS THAN 1 MEMBER OF
10 THE TRIBUNAL shall be a certified assessor holding the highest
11 level of certification granted by the state assessors board ~~—~~ ~~at~~
12 ~~least~~ AND NOT LESS THAN 1 shall be a professional real estate
13 appraiser holding a recognized certification indicating compe-
14 tence in the valuation of complex income producing and residen-
15 tial property of the type subject to property taxation, with a
16 certification having required a review of sample appraisals, and
17 5 years of experience as an appraiser. ~~—~~ ~~and at least~~ NOT LESS
18 THAN 1 MEMBER OF THE TRIBUNAL shall be a certified public accoun-
19 tant with 5 years' experience in state-local tax matters. Not
20 more than 3 members OF THE TRIBUNAL shall be members of the same
21 professional discipline. Additional appointees who are not
22 attorneys, certified assessors, professional real estate apprais-
23 ers, or certified public accountants shall have at least 5 years'
24 experience in state or local tax matters.

25 (2) Each member OF THE TRIBUNAL shall take and subscribe the
26 constitutional oath of office before entering on the discharge of
27 his OR HER duties.

1 (3) Each member OF THE TRIBUNAL shall ~~devote his entire~~ BE
2 EMPLOYED FULL time ~~to, and~~ BY THE TRIBUNAL, SHALL personally
3 perform the duties of ~~his~~ THE office, and shall not engage in
4 other business or professional activity for remuneration.

5 (4) Each member OF THE TRIBUNAL shall receive an annual
6 salary as determined by law and shall be reimbursed for ~~his~~
7 actual and necessary expenses at the rate determined by the
8 administrative board.

9 Sec. 31. The ~~tribunal's~~ TRIBUNAL HAS exclusive and origi-
10 nal jurisdiction ~~shall be~~ OF THE FOLLOWING:

11 (a) A proceeding for direct review of a final decision,
12 finding, ruling, determination, or order of an agency relating to
13 assessment, valuation, rates, special assessments, allocation, or
14 equalization ~~—~~ under THE property tax laws.

15 (b) A proceeding for refund or redetermination of a tax
16 under the property tax laws.

17 (c) REVIEW OF EXEMPTIONS UNDER SECTION 7U OF THE GENERAL
18 PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS OF 1893, BEING
19 SECTION 211.7U OF THE MICHIGAN COMPILED LAWS, THAT SHALL BE
20 LIMITED TO A REVIEW OF WHETHER THE TAXPAYER RECEIVED DUE PROCESS
21 FROM THE BOARD OF REVIEW.

22 Sec. 37. (1) In arriving at its determination of a lawful
23 property assessment, the tribunal shall multiply its finding of
24 true cash value by a percentage equal to the ratio of the average
25 level of assessment in relation to true cash values in the
26 assessment district.

1 (2) The lawful assessment as determined by the tribunal is
2 subject to equalization and shall be equalized by application of
3 the equalization factor ~~which~~ THAT is uniformly applicable in
4 the assessment district for the year in question, which, after
5 equalization, shall not exceed 50% of the true cash value of the
6 property on the assessment date.

7 (3) The petitioner has the burden of proof in establishing
8 the true cash value of the property, and the assessing agency has
9 the burden of proof in establishing the ratio of the average
10 level of assessments in relation to true cash values in the
11 assessment district and the equalization factor ~~which~~ THAT was
12 uniformly applied in the assessment district for the year in
13 question.

14 (4) If subsequent to the filing of the petition the taxpayer
15 paid additional taxes as a result of the unlawful assessments on
16 the same property, or if in subsequent years unlawful assessments
17 were made against the same property, the taxpayer, after protest
18 before the board of review and not later than the filing deadline
19 as prescribed by section 35(2), except as provided by subsections
20 (5) and (7), may amend his or her petition to join all of his or
21 her claims for lawful assessment determination and for refund by
22 reason of payments based on the unlawful assessments. ~~Any~~ A
23 sum determined by the tribunal to have been unlawfully paid shall
24 bear interest from the date of payment to the date of judgment
25 and the judgment shall bear interest to date of its payment.
26 Interest required by this subsection shall accrue for periods
27 before April 1, 1982 at a rate of 6% per year, shall accrue for

1 periods after March 31, 1982 but before April 1, 1985 at a rate
2 of 12% per year, and shall accrue for periods after March 31,
3 1985 at a rate of 9% per year.

4 (5) If the residential property and small claims division of
5 the tribunal has jurisdiction over a petition ~~that~~ AND the tax-
6 payer seeks ~~to amend~~ to include an assessment dispute for 1 or
7 more subsequent years, the following ~~shall apply~~ APPLIES:

8 (a) ~~The taxpayer need not have protested these assessments~~
9 ~~he or she seeks to include before the board of review.~~ IF A
10 TAXPAYER'S PETITION CONCERNS THE TAXPAYER'S HOMESTEAD, THE APPEAL
11 FOR EACH SUBSEQUENT YEAR FOR WHICH AN ASSESSMENT HAS BEEN ESTAB-
12 LISHED SHALL BE ADDED AUTOMATICALLY TO THE PETITION. HOWEVER,
13 THE TAXPAYER MAY EXCLUDE FROM APPEAL ANY SUBSEQUENT YEAR AT THE
14 TIME OF THE HEARING ON THE PETITION.

15 (b) ~~Instead~~ IF A TAXPAYER'S PETITION CONCERNS NONHOMESTEAD
16 PROPERTY, INSTEAD of the deadline provided by subsection (4), the
17 taxpayer may amend his or her petition by a motion filed within 7
18 days after mailing of the notice of the hearing on the petition
19 being amended, or not later than 20 days before the date set for
20 the hearing on the petition being amended, whichever date is
21 ~~the~~ later.

22 (6) The notice of the hearing on a petition shall include a
23 statement advising the petitioner of the right to amend his or
24 her petition to include assessment disputes for subsequent years
25 as provided by subsections (4) and (5).

26 (7) If the final equalization multiplier for the tax year
27 exceeds the tentative multiplier used in preparing the assessment

1 notice and as a result of action of the state board of
2 equalization or county board of commissioners a taxpayer's
3 assessment as equalized is in excess of 50% of true cash value,
4 that person may appeal directly to the tax tribunal without a
5 prior protest before the local board of review. The appeal shall
6 be filed under this subsection on or before the third Monday in
7 August and shall be heard in the same manner as other appeals of
8 the tribunal. A taxpayer making an appeal pursuant to this sub-
9 section may amend his or her petition to include subsequent
10 years' assessments based on the alleged unlawful determination in
11 the manner provided by subsection (5)(b). An appeal pursuant to
12 this subsection shall not result in an equalized value less than
13 the assessed value multiplied by the tentative equalization
14 multiplier used in preparing the assessment notice. This subsec-
15 tion does not apply to appeals filed after December 31, 1990.

16 Sec. 45. An order or decision may be entered by a member of
17 the tribunal upon written consent of the parties filed in the
18 proceeding or stated in the record. The order or decision is not
19 appealable and has like effect as an order or decision in a con-
20 tested hearing. HOWEVER, AN ORDER MADE PURSUANT TO SECTION 53A
21 OF THE GENERAL PROPERTY TAX ACT, ACT NO. 206 OF THE PUBLIC ACTS
22 OF 1893, BEING SECTION 211.53A OF THE MICHIGAN COMPILED LAWS,
23 THAT RESULTS IN A CHANGE OF STATE EQUALIZED VALUATION OF
24 \$100,000.00 OR MORE MAY NOT BE ENTERED UNTIL 14 DAYS AFTER THE
25 LOCAL ASSESSING UNIT SENDS BY CERTIFIED MAIL A COPY OF THE STIPU-
26 LATION FOR ENTRY OF A CONSENT JUDGMENT TO EACH LOCAL SCHOOL

1 DISTRICT AFFECTED BY THE DECISION. THE CONSENT STATEMENT SHALL
2 INCLUDE THE REASONS FOR EACH PARTY'S CONSENT TO THE AGREEMENT.

3 Sec. 49. (1) The tribunal ~~by rule~~ shall ~~prescribe~~
4 CHARGE filing fees and other fees to be paid in connection with a
5 proceeding ~~. The fees charged shall be sufficient~~ IN ORDER to
6 cover costs of the tribunal except the costs of publishing its
7 decisions, the salaries of the tribunal members, their chief
8 clerk, and the costs of homestead ~~appeal~~ APPEALS in the small
9 claims division. The FOLLOWING fees shall be paid to the clerk
10 of the tribunal and by order of the tribunal may be taxed as
11 costs: —

12	(A) PROPERTY TAX APPEAL PETITIONS	FILING FEE
13	ALLOCATION, APPORTIONMENT, OR EQUALIZATION....	\$350.00
14	STATE EQUALIZED VALUATION IN CONTENTION:	
15	\$100,000.00 OR LESS.....	\$150.00
16	100,000.01 TO 200,000.00.....	200.00
17	200,000.01 TO 500,000.00.....	250.00
18	500,000.01 TO 1,000,000.00.....	350.00
19	1,000,000.01 OR MORE.....	500.00
20		PLUS .0001 X
21		AMOUNT OVER
22		\$1,000,000.00.
23	(B) NONPROPERTY TAX APPEAL OR SPECIAL ASSESSMENT PETITION...3%	
24	OF THE DIFFERENCE BETWEEN THE AMOUNT OF TAX AS DETERMINED IN	
25	THE ASSESSMENT NOTICE AND THE AMOUNT OF TAX AS CONTENTED BY	
26	THE PETITIONER, BUT NOT LESS THAN \$150.00 OR MORE THAN	
27	\$500.00.	

1 (C) MISCELLANEOUS FEES:

2 TRANSFER OF PROCEEDING FROM SMALL CLAIMS DIVI-
 3 SION TO ENTIRE TRIBUNAL ON A PARTY'S OR
 4 INTERVENOR'S MOTION..... \$50.00
 5 TRANSFER OF A CAUSE TO THE TRIBUNAL FROM ANY
 6 FORUM..... 50.00
 7 FILING OF A MOTION..... 50.00
 8 PRESENTATION OF A STIPULATION FOR ENTRY OF
 9 CONSENT JUDGMENT..... 50.00
 10 CERTIFICATION OF THE RECORD ON APPEAL TO COURT
 11 OF APPEALS (NOT INCLUDING COST OF
 12 TRANSCRIPT)..... 50.00
 13 COPIES OF DOCUMENTS ON FILE WITH THE TRIBUNAL. 1.00 PER PAGE
 14 MOTION TO AMEND PETITION TO ADD SUBSEQUENT
 15 YEARS..... 80% OF ORIGI-
 16 NAL FILING FEE
 17 FOR EACH YEAR
 18 ADDED
 19 HEARING AND JUDGMENT FEE (TO BE DEPOSITED BY
 20 PETITIONER WITHIN 10 DAYS OF RECEIPT OF THE
 21 NOTICE OF HEARING)..... 50.00.

22 (D) SMALL CLAIMS APPEALS

23 STATE EQUALIZED VALUATION IN CONTENTION FOR NONHOMESTEAD
 24 PROPERTY TAX CASES:
 25 \$40,000.00 OR LESS..... \$35.00
 26 40,000.01 TO \$80,000.00..... 100.00

1	FILING A REQUEST FOR A REHEARING.....	35.00
2	FILING A REQUEST FOR ADJOURNMENT.....	35.00
3	FILING A MOTION FOR REINSTATEMENT.....	35.00
4	NONPROPERTY AND SPECIAL ASSESSMENT PETITIONS..	3% OF THE
5		AMOUNT IN DIS-
6		PUTE BUT NOT
7		LESS THAN
8		\$35.00.

9 (2) FOR PETITIONS OTHER THAN SMALL CLAIMS, IF THE PETITIONER
10 OWNS MULTIPLE CONTIGUOUS PARCELS, THE FILING FEE FOR ALL PARCELS
11 IS THE AMOUNT OF THE FILING FEE ON THE PARCEL WITH THE LARGEST
12 STATE EQUALIZED VALUATION IN CONTENTION AS DETERMINED UNDER
13 SUBSECTION (1) PLUS \$25.00 FOR EACH ADDITIONAL PARCEL, BUT NOT TO
14 EXCEED A TOTAL FILING FEE OF \$750.00. FOR A SMALL CLAIMS PETI-
15 TION, IF THE PETITIONER OWNS MULTIPLE CONTIGUOUS PARCELS, THE
16 FILING FEE FOR ALL PARCELS IS THE AMOUNT OF THE FILING FEE ON THE
17 PARCEL WITH THE LARGEST STATE EQUALIZED VALUATION IN CONTENTION
18 AS DETERMINED UNDER SUBSECTION (1) PLUS \$10.00 FOR EACH ADDI-
19 TIONAL PARCEL, BUT NOT TO EXCEED A TOTAL FILING FEE OF \$500.00.

20 (3) UPON THE TRANSFER OF A PETITION FROM SMALL CLAIMS TO THE
21 ENTIRE TRIBUNAL OR IF THE AMOUNT IN CONTENTION IS CHANGED BY THE
22 PETITIONER, THE FILING FEE SHALL BE RECALCULATED UNDER
23 SUBSECTION (1) (A) AND THE PETITIONER SHALL IMMEDIATELY PAY THE
24 ADDITIONAL AMOUNT TO THE CLERK OF THE TRIBUNAL.

25 (4) ~~-(2)-~~ The residential property division of the tribunal
26 shall not charge fees or costs on appeals of homestead property.

1 (5) ~~—(3)—~~ Fees shall be collected by the clerk and paid
2 directly into the state general fund.

3 (6) AS USED IN THIS SECTION, "STATE EQUALIZED VALUATION IN
4 CONTENTION" MEANS THE DIFFERENCE BETWEEN THE STATE EQUALIZED VAL-
5 UATION AS DETERMINED FROM THE ASSESSMENT AND THE STATE EQUALIZED
6 VALUATION CONTENTED BY PETITIONER.

7 Sec. 62. (1) The division created under section 61 has
8 jurisdiction of a proceeding, otherwise cognizable by the tribu-
9 nal, in which residential property is exclusively involved.
10 Property other than residential property may be included in a
11 proceeding before this division, if the assessed valuation of the
12 property after applying the state equalization factor, is not
13 increased or decreased by more than ~~—\$20,000.00—~~ \$80,000.00. The
14 division also has jurisdiction of a proceeding involving an
15 appeal of any other tax over which the tribunal has jurisdiction
16 where the amount of the tax in dispute is ~~—\$1,000.00—~~ \$5,000.00
17 or less.

18 (2) For purposes of this chapter, "residential property"
19 means a homestead or other residential or agricultural real
20 estate including less than 4 rental units.

21 (3) A person or legal entity entitled to proceed under sec-
22 tion 31, and whose proceeding meets the jurisdictional require-
23 ments of subsection (1), may elect to proceed before this divi-
24 sion or the tribunal. A formal record need not be taken of the
25 division proceedings. Within 20 days after issuance of an order
26 by a hearing referee, a party may request a rehearing by a
27 tribunal member, which hearing shall be de novo.

1 (4) The residential property tax division shall meet in
2 county seats so that a hearing is held in the county seat in
3 which the property in question is located or in a county contigu-
4 ous to the county in which the property is located. An appellant
5 shall not be required to travel more than 100 miles from the
6 situs of the property to the hearing site, except that a rehear-
7 ing by a tribunal member shall be at a site determined by the
8 tribunal.

9 (5) The tribunal ~~will~~ SHALL make a short form for the sim-
10 plified filing of residential appeals.