

HOUSE BILL No. 4011

January 15, 2015, Introduced by Rep. Kelly and referred to the Committee on Tax Policy.

A bill to amend 1973 PA 186, entitled
"Tax tribunal act,"
by amending section 37 (MCL 205.737), as amended by 2012 PA 220.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 37. (1) The tribunal shall determine a property's taxable
2 value pursuant to section 27a of the general property tax act, 1893
3 PA 206, MCL 211.27a.

4 (2) The tribunal shall determine a property's state equalized
5 valuation by multiplying its finding of true cash value by a
6 percentage equal to the ratio of the average level of assessment in
7 relation to true cash values in the assessment district, and
8 equalizing that product by application of the equalization factor
9 that is uniformly applicable in the assessment district for the
10 year in question. The property's state equalized valuation shall

1 not exceed 50% of the true cash value of the property on the
2 assessment date.

3 (3) The petitioner has the burden of proof in establishing the
4 true cash value of the property. The assessing agency has the
5 burden of proof in establishing the ratio of the average level of
6 assessments in relation to true cash values in the assessment
7 district and the equalization factor that was uniformly applied in
8 the assessment district for the year in question.

9 (4) If the taxpayer paid additional taxes as a result of the
10 unlawful assessments on the same property after filing the
11 petition, or if in subsequent years an unlawful assessment is made
12 against the same property, the taxpayer, not later than the filing
13 deadline prescribed in section 35 for a proceeding before the
14 tribunal that is commenced before January 1, 2007 or section 35a
15 for a proceeding before the tribunal that is commenced after
16 December 31, 2006, except as otherwise provided in subsections (5)
17 and (7), may amend the petition to join all of the claims for a
18 determination of the property's taxable value, state equalized
19 valuation, or exempt status and for a refund of payments based on
20 the unlawful assessments. ~~The~~ **BEFORE JANUARY 1, 2015, THE** motion to
21 amend the petition to add a subsequent year shall be accompanied by
22 a motion fee equal to 50% of the filing fee to file a petition to
23 commence an appeal for that property in that year. **AFTER DECEMBER**
24 **31, 2014, THE APPEAL FOR EACH SUBSEQUENT YEAR SHALL BE ADDED**
25 **AUTOMATICALLY TO THE PETITION AND THE TRIBUNAL SHALL NOTIFY EACH**
26 **PETITIONER THAT SUBSEQUENT YEARS SHALL BE AUTOMATICALLY ADDED**
27 **WITHOUT NEED FOR A MOTION OR FILING FEE. HOWEVER, THE PETITIONER**

1 **MAY MOVE TO EXCLUDE OR AMEND THE APPEAL OF ANY SUBSEQUENT YEAR AT**
2 **THE TIME OF THE HEARING ON THE PETITION.** A sum determined by the
3 tribunal to have been unlawfully paid or underpaid shall bear
4 interest from the date of payment to the date of judgment and the
5 judgment shall bear interest to date of its payment. However, a sum
6 determined by the tribunal to have been underpaid shall not bear
7 interest for any time period prior to 28 days after the tribunal's
8 decision. Interest required by this subsection shall accrue for
9 periods before April 1, 1982 at a rate of 6% per year, shall accrue
10 for periods after March 31, 1982 but before April 1, 1985 at a rate
11 of 12% per year, and shall accrue for periods after March 31, 1985
12 but before April 1, 1994 at a rate of 9% per year. After March 31,
13 1994 but before January 1, 1996, interest shall accrue at an
14 interest rate set monthly at a per annum rate based on the auction
15 rate of the 91-day discount treasury bill rate for the first Monday
16 in each month, plus 1%. After December 31, 1995 but before July 1,
17 2012, interest shall accrue at an interest rate set each year based
18 on the average auction rate of 91-day discount treasury bills in
19 the immediately preceding state fiscal year as certified by the
20 department of treasury, plus 1%. The department of treasury shall
21 certify the interest rate within 60 days after the end of the
22 immediately preceding fiscal year. After June 30, 2012, interest
23 shall accrue at 1 percentage point above the adjusted prime rate.
24 As used in this section, "adjusted prime rate" means the average
25 predominant prime rate quoted by not fewer than 3 commercial banks
26 to large businesses, as determined by the department of treasury.
27 The adjusted prime rate is to be based on the average prime rate

1 charged by not fewer than 3 commercial banks during the 6-month
2 period ending on March 31 and the 6-month period ending on
3 September 30. One percentage point shall be added to the adjusted
4 prime rate and the resulting sum shall be divided by 12 to
5 establish the current monthly interest rate. The resulting current
6 monthly interest rate based on the 6-month period ending March 31
7 becomes effective on the following July 1, and the resulting
8 current monthly interest rate based on the 6-month period ending
9 September 30 becomes effective on January 1 of the following year.
10 The tribunal shall order the refund of all or part of a property
11 tax administration fee paid in connection with taxes that the
12 tribunal determines were unlawfully paid.

13 (5) A motion to amend a petition to add subsequent years is
14 not necessary in the following circumstances:

15 (a) If the tribunal has jurisdiction over a petition alleging
16 that the property is exempt from taxation, the appeal for each
17 subsequent year for which an assessment has been established shall
18 be added automatically to the petition. However, upon leave of the
19 tribunal, the petitioner or respondent may request that any
20 subsequent year be excluded from appeal at the time of the hearing
21 on the petition.

22 (b) If the residential property and small claims division of
23 the tribunal has jurisdiction over a petition, the appeal for each
24 subsequent year for which an assessment has been established shall
25 be added automatically to the petition. The residential property
26 and small claims division shall automatically add to an appeal of a
27 final determination of a claim for exemption of a principal

1 residence or of qualified agricultural property each subsequent
2 year in which a claim for exemption of that principal residence or
3 that qualified agricultural property is denied. However, upon leave
4 of the tribunal, the petitioner or respondent may request that any
5 subsequent year be excluded from appeal at the time of the hearing
6 on the petition.

7 (6) The notice of the hearing on a petition shall include a
8 statement advising the petitioner of the right to amend his or her
9 petition to include or exclude subsequent years as provided by
10 subsections (4) and (5) **AND, AFTER DECEMBER 31, 2014, A STATEMENT**
11 **ADVISING THE PETITIONER THAT SUBSEQUENT YEARS SHALL BE**
12 **AUTOMATICALLY ADDED WITHOUT NEED FOR A MOTION OR FILING FEE, AS**
13 **PROVIDED IN SUBSECTION (4).**

14 (7) If the final equalization multiplier for the tax year is
15 greater than the tentative multiplier used in preparing the
16 assessment notice and as a result of action of the state board of
17 equalization or county board of commissioners a taxpayer's
18 assessment as equalized is in excess of 50% of true cash value,
19 that person may appeal directly to the tax tribunal without a prior
20 protest before the local board of review. The appeal shall be filed
21 under this subsection on or before the third Monday in August and
22 shall be heard in the same manner as other appeals of the tribunal.
23 An appeal pursuant to this subsection shall not result in an
24 equalized value less than the assessed value multiplied by the
25 tentative equalization multiplier used in preparing the assessment
26 notice.