

SENATE BILL NO. 1077

June 09, 2022, Introduced by Senator MCBROOM and referred to the Committee on Finance.

A bill to amend 1973 PA 186, entitled
"Tax tribunal act,"
by amending section 3 (MCL 205.703), as amended by 2008 PA 125, and
by adding section 38.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 3. As used in this act:
- 2 (a) "Agency" means a board, official, or administrative agency
- 3 empowered to make a decision, finding, ruling, assessment,
- 4 determination, or order that is subject to review under the
- 5 jurisdiction of the tribunal or that has collected a tax for which

1 a refund is claimed.

2 (b) "Chairperson" means the chairperson of the tribunal.

3 (c) **"Entire tribunal" means the hearing division of the**
 4 **tribunal other than the residential property and small claims**
 5 **division created in section 61.**

6 (d) ~~(e)~~ "Mediation" means a voluntary process in which a
 7 mediator facilitates communication between parties, assists in
 8 identifying issues, and helps explore solutions to promote a
 9 mutually acceptable settlement.

10 (e) ~~(d)~~ "Mediator" means a neutral third party who is
 11 certified by the tribunal under section 47 as a mediator in a
 12 proceeding before the tribunal or as a facilitator in the court of
 13 claims, and who is agreed to by the parties.

14 (f) ~~(e)~~ "Proceeding" means an appeal taken under this act.

15 (g) ~~(f)~~ "Property tax laws" does not include the drain code of
 16 1956, 1956 PA 40, MCL 280.1 to 280.630.

17 (h) ~~(g)~~ "Tribunal" means the tax tribunal created under
 18 section 21.

19 **Sec. 38. (1) In an assessment dispute before the entire**
 20 **tribunal as to the true cash value of real or personal property,**
 21 **the tribunal shall, in accordance with section 35a(2), make an**
 22 **independent determination of and separately state its findings of**
 23 **fact and conclusions of law as to the comparable properties in the**
 24 **market in which the property subject to assessment competes that**
 25 **have the same highest and best use as the property subject to**
 26 **assessment. In determining comparable properties, the tribunal**
 27 **shall do both of the following:**

28 (a) Determine that the information for each property
 29 considered to be comparable has been verified and accurately and

1 completely discloses all private restrictions and covenants on the
2 use of the property, the impact of those private restrictions and
3 covenants, the terms of the sale, the method of financing, and
4 market information.

5 (b) Exclude property considered to be comparable that was made
6 subject to a private restriction or covenant in connection with the
7 sale or rental of the property if that private restriction or
8 covenant causes the comparable property to have a substantially
9 impaired highest and best use as compared to the property subject
10 to assessment or if that private restriction or covenant does not
11 assist in the economic development of the property, does not
12 provide a continuing benefit to the property, or materially
13 increases the likelihood of vacancy or inactivity on the property.

14 (2) As used in this section, "private restriction or covenant"
15 means a requirement, provision, or statement in a deed, lease, or
16 contract that restrains or limits the use of the property or
17 requires a use of the property.