

Maturen Tax Tribunal Bill

Purpose: To require Tax Tribunal Members to apply standard appraisal procedures when reaching their findings of facts and conclusions of law in larger property tax case.

History: This legislation follows two hearings held in House Tax Policy and subsequent discussions Rep. Maturen conducted with retailers, the State Chamber, the Michigan Manufacturers, and many other legal, business and government groups. The legislation largely replaces two bills that were proposed by local units SB 524 and HB 4909.

Legislation: The legislation would amend MCL 205.3 and add a new section MCL 205.738. The legislation would require that Tribunal Members independently make specific findings of fact and conclusions of law in their opinion regarding: the market for the property under appeal, the highest and best use of the property in its market, require consideration of all methods of value including the income method, the sales method, the cost method and the assessment method.

- Details each of the four-part tests that appraisers use to determine highest and best use.
- Requires that the Tribunal Member determine the value of vacant land to verify the property's highest and best use as both vacant and as improved.
- Permits the consideration of deed restricted comparables (sales or income) if the deed restriction is imbedded in the chain of title, used with the development of vacant land or used for the purpose of developing improved property.
- Restricts the consideration of comparables that have deed restrictions if the deed restrictions are imposed by the seller to keep competitors of the seller from the market and the deed restrictions provide no benefit to the property but only to the seller's business.
- Permits the consideration of vacant property only if the vacant property reflects the same economics and same highest and best use of the subject property.
- Requires the Tribunal Member to consider all approaches to value and not simply disregard an approach without a justification.
- Enforces current law by clarifying that the Tribunal Member must independently evaluate the parties' stipulation as to any valuation method or issue.
- The legislation is consistent with the definition of True Cash Value, MCL 211.27
- The legislation imposes no requirements on assessors or appraisers.