



HOUSE BILL No. 6101

September 19, 1996, Introduced by Reps. Perricone and Profit and referred to the Committee on Tax Policy.

A bill to amend section 37 of Act No. 186 of the Public Acts of 1973, entitled "Tax tribunal act," as amended by Act No. 232 of the Public Acts of 1995, being section 205.737 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 37 of Act No. 186 of the Public Acts of
2 1973, as amended by Act No. 232 of the Public Acts of 1995, being
3 section 205.737 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 37. (1) The tribunal shall determine a property's tax-
6 able value pursuant to section 27a of the general property tax
7 act, Act No. 206 of the Public Acts of 1893, being section
8 211.27a of the Michigan Compiled Laws.

1 (2) The tribunal shall determine a property's state
2 equalized valuation by multiplying its finding of true cash value
3 by a percentage equal to the ratio of the average level of
4 assessment in relation to true cash values in the assessment dis-
5 trict, and equalizing that product by application of the equali-
6 zation factor that is uniformly applicable in the assessment dis-
7 trict for the year in question. The property's state equalized
8 valuation shall not exceed 50% of the true cash value of the
9 property on the assessment date.

10 (3) The petitioner has the burden of proof in establishing
11 the true cash value of the property. The assessing agency has
12 the burden of proof in establishing the ratio of the average
13 level of assessments in relation to true cash values in the
14 assessment district and the equalization factor that was uni-
15 formly applied in the assessment district for the year in
16 question.

17 (4) If the taxpayer paid additional taxes as a result of the
18 unlawful assessments on the same property after filing the peti-
19 tion, or if in subsequent years an unlawful assessment is made
20 against the same property, the taxpayer, not later than the
21 filing deadline prescribed in section 35(2), except as otherwise
22 provided in subsections (5) and (7), may amend the petition to
23 join all of the claims for a determination of the property's tax-
24 able value, state equalized valuation, or exempt status and for a
25 refund of payments based on the unlawful assessments. The motion
26 to amend the petition to add a subsequent year shall be
27 accompanied by a motion fee equal to 50% of the filing fee to

1 file a petition to commence an appeal for that property in that
2 year. A sum determined by the tribunal to have been unlawfully
3 paid or underpaid shall bear interest from the date of payment to
4 the date of judgment and the judgment shall bear interest to date
5 of its payment. However, a sum determined by the tribunal to
6 have been underpaid shall not bear interest for any time period
7 prior to 28 days after the tribunal's decision. Interest
8 required by this subsection shall accrue for periods before
9 April 1, 1982 at a rate of 6% per year, shall accrue for periods
10 after March 31, 1982 but before April 1, 1985 at a rate of 12%
11 per year, and shall accrue for periods after March 31, 1985 but
12 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 auc-
15 tion rate of the 91-day discount treasury bill rate for the first
16 Monday in each month, plus 1%. After December 31, 1995, interest
17 shall accrue at an interest rate set each year based on the aver-
18 age auction rate of 91-day discount treasury bills in the immedi-
19 ately preceding state fiscal year as certified by the department
20 of treasury, plus 1%. The department of treasury shall certify
21 the interest rate within 60 days after the end of the immediately
22 preceding fiscal year. The tribunal shall order the refund of
23 all or part of a property tax administration fee paid in connec-
24 tion with taxes that the tribunal determines were unlawfully
25 paid.

26 (5) A MOTION TO AMEND A PETITION TO ADD SUBSEQUENT YEARS IS
27 NOT NECESSARY IN THE FOLLOWING CIRCUMSTANCES:

1 (A) FOR PETITIONS FILED AFTER DECEMBER 31, 1988, IF THE
2 TRIBUNAL HAS JURISDICTION OVER A PETITION ALLEGING THAT THE PROP-
3 ERTY IS EXEMPT FROM TAXATION, THE APPEAL FOR EACH SUBSEQUENT YEAR
4 FOR WHICH AN ASSESSMENT HAS BEEN ESTABLISHED SHALL BE ADDED AUTO-
5 MATICALLY TO THE PETITION. HOWEVER, UPON LEAVE OF THE TRIBUNAL,
6 THE PETITIONER OR RESPONDENT MAY REQUEST THAT ANY SUBSEQUENT YEAR
7 BE EXCLUDED FROM APPEAL AT THE TIME OF THE HEARING ON THE
8 PETITION.

9 (B) If the residential property and small claims division of
10 the tribunal has jurisdiction over a petition, the appeal for
11 each subsequent year for which an assessment has been established
12 shall be added automatically to the petition. The residential
13 property and small claims division shall automatically add to an
14 appeal of a final determination of a claim for exemption of a
15 homestead or of qualified agricultural property each subsequent
16 year in which a claim for exemption of that homestead or that
17 qualified agricultural property is denied. However, upon leave
18 of the tribunal, the petitioner or respondent may request that
19 any subsequent year be excluded from appeal at the time of the
20 hearing on the petition.

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

25 (7) If the final equalization multiplier for the tax year is
26 greater than the tentative multiplier used in preparing the
27 assessment notice and as a result of action of the state board of

1 equalization or county board of commissioners a taxpayer's
2 assessment as equalized is in excess of 50% of true cash value,
3 that person may appeal directly to the tax tribunal without a
4 prior protest before the local board of review. The appeal shall
5 be filed under this subsection on or before the third Monday in
6 August and shall be heard in the same manner as other appeals of
7 the tribunal. An appeal pursuant to this subsection shall not
8 result in an equalized value less than the assessed value multi-
9 plied by the tentative equalization multiplier used in preparing
10 the assessment notice.