



michigan municipal league  
Better Communities. Better Michigan.

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Better Michigan.

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Dear Finance Committee Members:

The League appreciates the discussion of reforming the Michigan Tax Tribunal and the tax appeals process. We do have a number of concerns with the Tribunal and it's valuation of property; however, Senate Bills 1038-1040 do not address these concerns. As a result of this and other concerns with the legislation, we are opposed to this package of bills.

Among our biggest concerns with the bills are the provisions that bypass the local boards of review. The local boards of review are the first stop for taxpayers, and there's no reason for that to cease. It's less efficient and convenient for taxpayers to bypass local boards of review and require appeals to happen in Lansing. The local board of review is uniquely qualified to know the property at question and the community. Sending taxpayers directly to the tribunal is cumbersome and less efficient for the taxpayer.

We have significant concerns with SB 1039 and its amendment of the Tax Tribunal Act. It is problematic to remove assessors and appraisers from the tribunal. Even if attorneys have tax experience, that experience could be merely academic, yet they would be qualified to sit on the tribunal.

Senate Bill 1040 would create a problem for local units of government with a significant number of delinquent properties. The legislation eliminates the requirement that a taxpayer first pay a tax while waiting for appeal. Perhaps a better solution would be to require a percentage be paid instead of eliminating the entire requirement.

In the last several years the Michigan Tax Tribunal has decided a number of cases that have been detrimental to local units of government. We think changing the way the Tribunal makes these decisions is an appropriate conversation to have; however, these bills do not streamline appeals nor make them more taxpayer friendly. They simply take away local control and make the process more cumbersome for both taxpayers and local units of government.

Sincerely,

Samantha Jones Harkins  
Director, State Affairs