



**GRAND RAPIDS AREA
CHAMBER OF COMMERCE**

To: Members of the Senate Finance Committee

From: Ron Kaley, Kaley & Associates, Tax and Regulatory Affairs Committee Chair
Allie M. Bush, Grand Rapids Area Chamber of Commerce

Subject: Senate Bills 1038-1040 Opposed as Introduced

Date: September 17, 2014

On behalf of the Grand Rapids Area Chamber of Commerce and our 2,700 members, we are opposed to Senate Bills 1038, 1039 and 1040 as they are introduced.

We appreciate Senator's Caswell work on the bills and the opportunity to provide comments. While there are a number of issues that cause concern, there are components in the three bills that the Grand Rapids Area Chamber of Commerce supports.

We support many of the changes provided in the three bills, such as:

- Providing opportunities in July and December (in addition to the March Board of Review) for individuals wishing to claim disabled veteran and poverty exemptions. (SB 1038)
- Extending the window for an appeal from 35 days to 60 days to the Michigan Tax Tribunal. (SB 1038)
- Expanding the period in which an appeal of the denial of a claim may occur to include the current year and the three immediately preceding years. (SB 1038)
- Requiring Michigan Tax Tribunal members to be annually trained in courtroom procedures. (SB 1039)
- Increasing the small claims division threshold to \$150,000 adjusted annually by the inflation rate. (SB 1039)
- Striking "pay to play" language that requires an appellant to first pay the tax, penalties and interest under protest before claiming a refund in an appeal. (SB 1040)

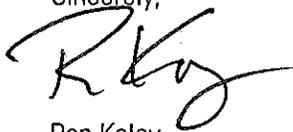
However, there are some areas of concern (noted below) under Senate Bill 1039 - Amending the Tax Tribunal Act (PA 186 of 1973):

- Sec. 21 (3) & (4): The language added under these subsections creates two processes for the removal of tribunal appointees.

- It is our opinion that this addition is not necessary, as subsection (4) references the existing authority a Michigan Governor has to remove appointees from their positions. By adding subsections (3) and (4), the statute would have two different processes for the removal depending on who made the initial appointee.
- Sec. 22 (1) and Sec. 32 (g): The amendments require that all Michigan Tax Tribunal members must be attorneys, and removes the existing requirements that at least one member must be an assessor, one must be an appraiser, and one must be a certified public accountant. Additionally, the changes would allow the Michigan Tax Tribunal to contract with assessors when needed.
 - We oppose these changes, as the Michigan Tax Tribunal and its process benefit from having the special expertise of the assessor, appraiser and CPA when hearing cases. These appointees and their expertise are especially beneficial when hearing complex cases. Additionally, these qualifications should be employed by the Michigan Tax Tribunal at all times to eliminate the need to contact with others who may not be to the same level of quality or free of bias.
- Sec. 36(1): The amendatory language would allow the Michigan Tax Tribunal the discretion to deny a request for a subpoena.
 - Amending the language from "shall" to "may" could limit a party in an attempt to bring evidence and testimony before the tribunal. From our member's experience, the current law has worked and gives the tribunal the discretion to revoke a subpoena, on written request, if the evidence "does not relate to the matter in issue."

Thank you for your consideration. If you have any questions, please do not hesitate to contact Allie Bush at 616.771.0311.

Sincerely,



Ron Kaley
Kaley and Associates
Tax & Regulatory Affairs Committee Chair



Allie M. Bush
Grand Rapids Area Chamber of Commerce
Public Policy Coordinator