



HOUSE BILL No. 5124

September 26, 1995, Introduced by Reps. Gernaat, Llewellyn, Hill, Gnodtke, Bodem, Jaye, Middaugh, DeLange, Rhead, London, Green and McManus 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. 254 of the Public Acts of 1994, 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. 254 of the Public Acts of 1994, being
3 section 205.737 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 37. (1) In arriving at its determination of a lawful
6 property assessment, the tribunal shall multiply its finding of
7 true cash value by a percentage equal to the ratio of the average
8 level of assessment in relation to true cash values in the
9 assessment district.

1 (2) The lawful assessment as determined by the tribunal is
2 subject to equalization and shall be equalized by application of
3 the equalization factor that is uniformly applicable in the
4 assessment district for the year in question, which, after equal-
5 ization, shall not exceed 50% of the true cash value of the prop-
6 erty on the assessment date.

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

14 (4) If subsequent to the filing of the petition the taxpayer
15 paid additional taxes as a result of the unlawful assessments on
16 the same property, or if in subsequent years unlawful assessments
17 were made against the same property, the taxpayer, not later than
18 the filing deadline as prescribed by section 35(2), except as
19 provided by subsections (5) and (7), may amend his or her peti-
20 tion to join all of his or her claims for lawful assessment
21 determination and for refund by reason of payments based on the
22 unlawful assessments. The motion to amend the petition to add a
23 subsequent year shall be accompanied by a motion fee equal to 50%
24 of what the original filing fee would be. A sum determined by
25 the tribunal to have been unlawfully paid or underpaid shall bear
26 interest from the date of payment to the date of judgment and the
27 judgment shall bear interest to date of its payment. However, a

1 sum determined by the tribunal to have been underpaid shall not
2 bear interest for any time period prior to 30 days after the
3 decision rendered by the tax tribunal. Interest required by this
4 subsection shall accrue for periods before April 1, 1982 at a
5 rate of 6% per year, shall accrue for periods after
6 March 31, 1982 but before April 1, 1985 at a rate of 12% per
7 year, and shall accrue for periods after March 31, 1985 but
8 before April 1, 1994 at a rate of 9% per year. After March 31,
9 1994, interest shall accrue at ~~an interest rate set monthly at a~~
10 ~~per annum rate based on the auction rate of the 91 day discount~~
11 ~~treasury bill rate for the first Monday in each month, plus 1%.~~
12 AFTER MARCH 31, A MONTHLY INTEREST RATE OF 1 PERCENTAGE POINT
13 ABOVE THE ADJUSTED PRIME RATE PER ANNUM. AS USED IN THIS SUBSEC-
14 TION, "ADJUSTED PRIME RATE" MEANS THE AVERAGE PREDOMINANT PRIME
15 RATE QUOTED BY NOT LESS THAN 3 COMMERCIAL BANKS TO LARGE BUSI-
16 NESSES, AS DETERMINED BY THE DEPARTMENT OF TREASURY. The tribunal
17 shall order the refund of all or part of a property tax adminis-
18 tration fee that was paid in connection with a sum of taxes
19 determined by the tribunal to have been unlawfully paid.

20 (5) If the residential property and small claims division of
21 the tribunal has jurisdiction over a petition, the appeal for
22 each subsequent year for which an assessment has been established
23 shall be added automatically to the petition. However, upon
24 leave of the tribunal, the petitioner or respondent may request
25 that any subsequent year be excluded from appeal at the time of
26 the hearing on the petition.

1 (6) The notice of the hearing on a petition shall include a
2 statement advising the petitioner of the right to amend his or
3 her petition to include assessment disputes for subsequent years
4 as provided by subsections (4) and (5).

5 (7) If the final equalization multiplier for the tax year is
6 greater than the tentative multiplier used in preparing the
7 assessment notice and as a result of action of the state board of
8 equalization or county board of commissioners a taxpayer's
9 assessment as equalized is in excess of 50% of true cash value,
10 that person may appeal directly to the tax tribunal without a
11 prior protest before the local board of review. The appeal shall
12 be filed under this subsection on or before the third Monday in
13 August and shall be heard in the same manner as other appeals of
14 the tribunal. An appeal pursuant to this subsection shall not
15 result in an equalized value less than the assessed value multi-
16 plied by the tentative equalization multiplier used in preparing
17 the assessment notice.