

**STATE OF MICHIGAN  
DEPARTMENT OF LICENSING & REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
MICHIGAN TAX TRIBUNAL**

Kool Real Estate, LLC,  
Petitioner,

v

MTT Docket No. 364574

Charter Township of Meridian,  
Respondent.

Tribunal Judge Presiding  
Steven H. Lasher

**OPINION AND JUDGMENT**

**INTRODUCTION**

Petitioner, Kool Real Estate, LLC, appeals ad valorem property tax assessments levied by Respondent, Township of Meridian, against the real property owned by Petitioner for the 2009 and 2010 tax years (Parcel No. 33-02-02-22-176-020). Marla Schwaller Carew, attorney, represented Petitioner, and Peter A. Teholiz, attorney, represented Respondent.

A hearing on this matter was held on January 23, 2012. Petitioner's witnesses were Harry de Jong, Chief Financial Officer for Kool Chevrolet and Agent for Kool Real Estate, LLC, and Jeffrey G. Genzink, MAI. Respondent offered Respondent's Assessor, David Lee, as its only witness.

Based on the evidence, testimony, and case file, the Tribunal finds that the true cash values ("TCV"), state equalized values ("SEV"), and taxable values ("TV") of the subject property for the years under appeal are as follows:

**Parcel Number:** 33-02-02-22-176-020

	TCV	SEV	TV
2009	\$1,845,000	\$922,500	\$922,500
2010	\$1,800,000	\$900,000	\$900,000

**PETITIONER’S CONTENTIONS**

Petitioner contends that the evidence presented in this case strongly supports a determination that the true cash value of the subject property on the assessment rolls is substantially over-stated. Specifically, Petitioner contends that the economic crisis experienced throughout Michigan, beginning in late 2008, negatively impacted the automobile market and the market for auto dealership properties, as is evidenced by Petitioner’s appraiser’s application of both the cost and sales comparison approaches to determine the true cash value of the subject property for the 2009 and 2010 tax years. Petitioner further contends that the 2010 sale of the subject property for \$3.7 million should not be considered by the Tribunal as reflective of market value as it was not an arm’s length transaction. Finally, Petitioner contends that the two comparable sales relied on by Respondent’s assessor were not arm’s length transactions and should not have been considered by Respondent in applying the sales comparison approach.

As determined by Petitioner’s appraiser, the TCV, SEV, and TV for the subject property for the tax years at issue should be:

**Parcel Number:** 33-02-02-22-176-020

	TCV	SEV	TV
2009	\$1,845,000	\$922,500	\$922,500
2010	\$1,800,000	\$900,000	\$900,000

**PETITIONER’S ADMITTED EXHIBITS**

P-1 Summary Appraisal Report for the subject property for the 2009 and 2010 tax years.

P-2 Lease and Purchase Agreement.

P-3 Agreement for Sale of Real Estate.

### **PETITIONER'S WITNESSES**

#### Harry de Jong

Harry de Jong, Chief Financial Officer of Kool Chevrolet and agent for Petitioner, testified that (i) the subject property and a nearby parcel was leased to Okere, LLC, in September, 2006, for a five-year term for use as an automobile dealership, (ii) the terms of the lease included a monthly rental rate of \$52,500 for both properties (\$30,000 per month for the subject property) and a purchase "option" that established a minimum purchase price of \$3,350,000, based on an appraisal secured by the Lessee/Purchaser and by the parties' understanding of "market conditions" at the time of the lease, (iii) the subject property was sold to Okere, LLC, in August, 2010, for \$3,350,000 minimum purchase price established in the lease, plus an amount equal to the guaranteed rental amount over the remaining term of the lease, discounted by 5%. (Transcript, pp. 10 - 27)

#### Jeffrey Genzink

Jeffrey Genzink, MAI, and a Michigan certified appraiser, was Petitioner's valuation expert. He testified that (i) he prepared a Summary Appraisal of the subject property for the tax years at issue, (ii) the subject property was sold by Petitioner to Okere, LLC, in August 2010 for \$3,706,400 pursuant to a minimum sale price provision contained in the September 2006 lease from Petitioner to Okere, LLC, (iii) the August, 2010, sale of the subject property did not reflect market value because the property was

not exposed to the open market and because the buyer and seller were not typically motivated, given the existing rental rate that did not reflect market conditions, (iv) the subject property's neighborhood was in a state of decline given the deteriorating market conditions, (v) domestic auto sales fell dramatically in 2008, (vi) new automobile dealership closings increased from 10 in 2006, 11 in 2007, 14 in 2008 to 39 in 2009, (vii) the highest and best use of the subject property as vacant is "inventory land for future commercial development, (viii) the highest and best use of the subject property as improved is its current use as an auto dealership, (ix) the true cash values of the subject property for the tax years at issue were determined giving equal weight to the sales comparison approach to value and the cost approach, (x) he did not develop the income approach to value because of the lack of comparable lease data, (xi) in applying the cost approach to value, he first determined land value to be \$1.15 million by identifying comparable land sales in the Lansing area and adjusting those sales for location, size, shape, and visibility, then developed direct costs of the improvements using Marshall Valuation Service information, and finally, applied physical depreciation and economic obsolescence factors, (xii) he did not include entrepreneurial incentive or profit as a component to his cost approach because there was no profit, (xiii) in applying the market approach to value, he considered sales of dealerships in Michigan (exclusive of the Metro Detroit area and the Upper Peninsula) and vacant land, (xiv) he identified six comparable sales of auto dealerships, reduced the sale price by land values, then determined a price per square foot for the buildings and land improvements adjusted for differences between the subject property and the comparable sales, and then added back the land value determination made when applying the cost approach, (xv)

comparable 6 was not considered in his market analysis because it was a listing, and the greatest weight was given to comparable sales 1, 2 and 3, whose land values were determined using assessor derived land values, and (xvi) he did not use the two sales identified by Respondent in his sales comparison analysis because he was unaware of either sale at the time of preparation of the appraisal; but, if he had known of these sales he would not have used them because the first comparable sale was not purchased for use as an auto dealership, but was instead purchased for future development and because the second comparable was impacted by litigation and by incentives paid as a result of that litigation. (Transcript, pp. 28 – 117; pp. 195 – 199)

### **RESPONDENT'S CONTENTIONS**

Respondent contends that the true cash, assessed, and taxable values determined by Respondent for the subject property for the tax years at issue should be increased by the Tribunal because its Assessor's sales comparison approach identified two credible comparable sales that support his ultimate value conclusions. Respondent further contends that, although its Assessor did not make any adjustments to the comparable sales, even if adjustments were made for market conditions, the original true cash value determinations made by Respondent in assessing the subject property for the tax years at issue are supported. Further, Respondent contends that the cost methodology applied by Petitioner's appraiser is flawed because, among other things, he relies on land values for his comparables determined by local assessors and he cannot support his determination of economic obsolescence. Finally, Respondent contends that Petitioner's appraiser's sales comparison approach is flawed because, among other things, he identified comparable sales outside of the Lansing market area.

As determined by Respondent’s appraiser, the TCV, SEV, and TV for the subject property for the tax years at issue should be:

**Parcel Number:** 33-02-02-22-176-020

	TCV	SEV	TV
2009	\$3,112,000	\$1,556,000	\$1,149,132
2010	\$3,112,000	\$1,556,000	\$1,145,684

**RESPONDENT’S ADMITTED EXHIBITS**

R-1 2009 Assessment records for subject property.

R-2 2010 Assessment records for subject property.

R-3 Retrospective Appraisal of subject property for 2009 and 2010.

**RESPONDENT’S WITNESSES**

David Lee

David Lee, Michigan Master Assessing Officer (“MAAO”), assessor for Meridian Township, is not a licensed appraiser, but was admitted as an expert in the appraisal of commercial properties. Mr. Lee prepared a Summary Appraisal<sup>1</sup> of the subject property for the tax years at issue and testified that (i) he was not the assessor of record for the subject property for the tax years at issue, (ii) the highest and best use of the subject property as improved is its continued use as a car dealership, (iii) the subject property is located in a “highly desirable commercial corridor” in a neighborhood that is “at the very least stable, if not growing,” (iv) he did not perform an income approach to valuation

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<sup>1</sup> Although Mr. Lee testified that he is not a certified appraiser, he states in his Summary Appraisal that “his appraisal report is intended to comply with all applicable standards of the Uniform Standards of Professional Appraisal Practice . . . .” For a variety of reasons, including Mr. Lee’s employment by Respondent and his failure to include all information in his appraisal required by USPAP, Mr. Lee’s Summary Appraisal fails to meet USPAP standards. However, because the Tribunal is required to make an independent determination of value and is not so concerned with whether the “appraisal” submitted by Respondent satisfies all USPAP standards, it will accept Mr. Lee’s “appraisal” as Respondent’s requisite valuation disclosure. In the future, Mr. Lee would be well advised to delete all references in his “appraisal” as USPAP compliant.

because there was insufficient income and expense information available, (v) he did not perform a cost approach analysis but did give some weight to the mass appraisal cost approach prepared by Respondent's assessing department prior to his becoming Respondent's assessor, (vi) he relied primarily on the sales comparison approach to determine the true cash value of the subject property, (vii) in preparing his sales comparison analysis, he identified two comparable sales and one comparable listing, but relied only on the two comparable sales identified, neither of which was listed for sale in the open market, (viii) comparable 1 is located in Delta Township, Eaton County, sold for \$2.9 million in August, 2007, and did not require any adjustments for location, size, quality, age, condition, and land-to-building ratio, (ix) comparable 2 is located in East Lansing, Ingham County, sold for \$3.3 million in June, 2008, and did not require any adjustments for location, size, quality, age, condition, and land-to-building ratio, (x) comparable 3 is located in Meridian Township, Ingham County, was listed for sale for \$2.25 million, and required adjustments of 20 percent to reflect that it was a listing, and 10 percent for the smaller size of the building, (xi) the comparable sales used by Petitioner's appraiser were not comparable to the subject property because of location and circumstances of the sale, (xii) Petitioner's appraisal applied a flawed methodology in applying the market approach to value because he subtracted land values (in several occasions relying on land values determined by local assessors) from the purchase price to determine per square foot values for the respective buildings, (xiii) he did not rely on the sale of the subject property in 2010 in making his value determination for the subject property for the 2009 and 2010 tax years, but the sale of the subject property did provide him some confirmation of the true cash values he determined for the subject

property, (xiv) he did not make market adjustments to the comparable sales because he lacked any evidence to show a decline in the value of auto dealerships subsequent to the economic downturn in late 2008.

**FINDINGS OF FACT**

1. The subject property consists of one parcel of property identified as Graff Chevrolet Okemos, located at 1748 Grand River Avenue, Okemos, Michigan.
2. The subject property is a 4.62 acre parcel, and is improved with an automobile dealership building containing 25,934 square feet of gross building area constructed in 1985.
3. The highest and best use of the subject property as improved is as an automobile dealership.
4. The subject property is zoned C-3, Commercial.
5. The subject property was assessed for the tax years at issue as follows:

**Parcel Number:** 33-02-02-22-176-020

	TCV	SEV	TV
2009	\$2,918,400	1,459,200	1,149,132
2010	\$2,464,200	1,232,100	1,145,684

6. Petitioner entered into a Lease and Purchase Agreement with Graff Chevrolet – Okemos, Inc., dated September 21, 2006, for the subject property (Dealership Facility”) and another parcel (“Body Shop Facility”) for a term of five years for a base monthly rent of \$52,500. The Lease and Purchase Agreement also included a “binding and irrevocable” obligation of Graff Chevrolet to purchase the subject property for a minimum purchase price of \$3,350,000 upon expiration or termination of the Lease.



7. Graff Chevrolet purchased the subject property for \$3,706,400 on August 1, 2010. The purchase price included the \$3,350,000 minimum purchase price provided in the Lease plus an amount equal to the total rental payments remaining under the Lease discounted by five percent.
8. Respondent's cost less depreciation mass appraisal approach to value relied, in part, on values derived from the State Tax Commission cost manual.
9. Respondent primarily relied on its sales comparison approach to determine the true cash values of the subject property for the tax years at issue.
10. Respondent identified two comparable sales and one comparable listing in developing its sales comparison approach, but relied only on the two comparable sales.
11. Respondent's comparable sale 1 is a car dealership property located in Delta Township, Michigan, located on 3.68 acres, with a 24,479 square foot building, constructed in 1987, that sold in August, 2007, for \$2.9 million.
12. Respondent's comparable sale 2 is a former car dealership facility located in the City of East Lansing, Michigan, located on 4.68 acres, with a 27,438 square foot building initially constructed in 1954 and remodeled in 1985, 1989, and 1996 that sold in June 2009 for \$3.3 million.
13. Respondent's comparable listing 3 is a car dealership facility located in Meridian Township, Michigan, located on 3 acres, with a 13,339 square foot building constructed in 1992 that was listed for sale for \$2.25 million in June, 2011.
14. Respondent made no adjustments (e.g., for location, market conditions, size, etc.) to its comparable sales in developing a true cash value for the subject

property for the tax years at issue. Respondent adjusted its comparable listing 20% for being a listing and 10% for its smaller building size.

15. Petitioner's appraisal relied upon both the cost approach and the sales comparison approach to determine the true cash value of the subject property for the tax years at issue.
16. In developing the cost approach to value, Petitioner's appraiser identified four comparable sales of vacant land in the Lansing area to determine a land value and then determined the value of the subject buildings by applying physical depreciation and economic obsolescence values to Marshall Swift cost values.
17. Petitioner's appraiser determined a land value for the subject property of \$1,150,000 for the 2009 and 2010 tax years.
18. Petitioner's appraiser determined the age of the subject improvements to be 23 years for 2009 (24 years for 2010) and then added seven years for economic obsolescence. The total depreciation, including economic obsolescence, for the subject building was 67% in 2009 and 69% in 2010, with site improvement depreciation of 75% in 2009 and 80% in 2010.
19. In developing the sales comparison approach, Petitioner's appraiser identified five comparable sales (and one comparable listing) of auto dealerships located in Michigan, excluding Metro Detroit and the Upper Peninsula, with building sizes ranging from 15,000 square feet to 50,000 square feet.
20. Petitioner's appraiser applied the sales comparison approach to determine the true cash value of the subject property by identifying the comparable sales, subtracting land values (using assessor land values for comparable sales 1, 2

and 3, and market information for comparable sales 4 and 5), and then adjusting building values for age and size differences (and for market conditions in 2010) to determine a range of prices per square foot of the buildings and then adding back the previously determined land value of \$1,150,000.

21. The range of building values determined by Petitioner's appraiser from the comparable sales information was \$8.23 per square foot to \$52.00 per square foot; Petitioner's appraiser concluded to a value of \$25 per square foot for 2009 and \$24 per square foot for 2010.

### **ISSUES AND CONCLUSIONS OF LAW**

The assessment of real and personal property in Michigan is governed by the constitutional standard that such property shall not be assessed in excess of 50% of its true cash value.

The legislature shall provide for the uniform general ad valorem taxation of real and tangible personal property not exempt by law. The legislature shall provide for the determination of true cash value of such property; the proportion of true cash value at which such property shall be uniformly assessed, which shall not...exceed 50%.... Const 1963, art 9, sec 3.

The Michigan Legislature has defined "true cash value" to mean:

...the usual selling price at the place where the property to which the term is applied is at the time of assessment, being the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale. MCL 211.27(1); MSA 7.27(1).

The Michigan Supreme Court has determined that "true cash value" is synonymous with "fair market value." See *CAF Investment Co v State Tax Commission*, 392 Mich 442, 450; 221 NW2d 588 (1974).

Under MCL 205.737(1); MSA 7.650(37)(1), the Tribunal must find a property's true cash value in determining a lawful property assessment. *Alhi Development Co v Orion Twp*, 110 Mich App 764, 767; 314 NW2d 479 (1981). The Tribunal is not bound to accept either of the parties' theories of valuation. *Teledyne Continental Motors v Muskegon Twp*, 145 Mich App 749, 754; 377 NW2d 908 (1985). The Tribunal may accept one theory and reject the other, it may reject both theories, or it may utilize a combination of both in arriving at its determination. *Meadowlanes Limited Dividend Housing Association v City of Holland*, 437 Mich 473, 485- 486; 473 NW2d 636 (1991).

A proceeding before the Tax Tribunal is original, independent, and de novo. MCL 205.735(1); MSA 7.650(35)(1). The Tribunal's factual findings are to be supported by competent, material, and substantial evidence. *Antisdale v City of Galesburg*, 420 Mich 265, 277; 362 NW2d 632 (1984); *Dow Chemical Co v Department of Treasury*, 185 Mich App 458, 462-463; 452 NW2d 765 (1990). Substantial evidence must be more than a scintilla of evidence, although it may be substantially less than a preponderance of the evidence. *Jones and Laughlin Steel Corp v City of Warren*, 193 Mich App 348, 352-353; 483 NW2d 416 (1992).

"The petitioner has the burden of establishing the true cash value of the property...." MCL 205.737(3). This burden encompasses two separate concepts: (1) the burden of persuasion, which does not shift during the course of the hearing; and (2) the burden of going forward with the evidence, which may shift to the opposing party. *Jones and Laughlin* at 354-355. However, "[t]he assessing agency has the burden of proof in establishing the ratio of the average level of assessment in relation to true cash

values in the assessment district and the equalization factor that was uniformly applied in the assessment district for the year in question.” MCL 205.735(3).

The three most common approaches to valuation are the capitalization of income approach, the sales comparison or market approach, and the cost-less-depreciation approach. *Meadowlanes*, at 484-485; *Pantlind Hotel Co v State Tax Commission*, 3 Mich App 170; 141 NW2d 699 (1966), aff’d 380 Mich 390 (1968). The market approach is the only appraisal method that directly reflects the balance of supply and demand for property in marketplace trading. *Antisdale*, p278. The Tribunal is under a duty to apply its own expertise to the facts of the case to determine the appropriate method of arriving at the true cash value of the property, utilizing an approach that provides the most accurate valuation under the circumstances. *Antisdale*, p277. The Tribunal finds that the appropriate method of determining the true cash value of the subject property for the tax years at issue is the sales comparison approach.

Neither of the respective parties’ valuation witnesses utilized the income approach to value because the subject property is owner occupied and because comparable lease information was not available. Because neither party provided the information necessary to properly determine the true cash value of the subject property using the income approach for the tax years at issue, the Tribunal finds that application of the income approach in this matter is not appropriate.

The Tribunal also finds that the cost-less-depreciation approach is not appropriate to determine the true cash value of the subject property for the tax years at issue and is given no weight in its determination of the true cash value of the subject property for the tax years at issue. Generally, the cost-less-depreciation approach is

applicable to a newly constructed property. The cost approach values a property based on a comparison with the cost to build a new or substitute property, presumably taking into consideration market influences.

In the instant case, Petitioner's appraiser valued the subject property using the cost approach and gave his value conclusions equal weight to his value conclusions using the sales comparison approach. Although the Tribunal finds that Petitioner's determination of land value relying on four comparable vacant land sales located in the Lansing area, after appropriate adjustments, is generally consistent with Respondent's land value determination, the Tribunal finds that Petitioner's cost approach does not provide a credible conclusion of value for the buildings located at the subject property. The Tribunal takes exception to Petitioner's unsupported assumption of economic obsolescence determined to be equivalent to seven additional years of physical depreciation. Although Petitioner has provided some evidence of a general downturn in the automotive industry after late 2008, Respondent contends that the economic downturn did not affect Meridian Township to the same extent that it may have affected the rest of the state of Michigan. Although the Tribunal concurs with Petitioner that Michigan did suffer economically after late 2008, the Tribunal finds that Petitioner has failed to provide adequate support for its conclusions regarding the total depreciation deduction. Further, as discussed above, the cost approach to value is appropriate for newly constructed buildings and is not necessarily appropriate for older buildings for which total depreciation exceeds 65%.

Further, although Respondent's assessor initially valued the subject property using the cost approach on a mass appraisal basis, Respondent relied solely on the

market approach in valuing the subject property for purposes of this appeal and utilized the cost approach only “as support for the value conclusions reached through the sales comparison approach.” (Respondent’s appraisal, p. 18) The Tribunal finds that Respondent’s minimal use of the cost approach is appropriate, given Mr. Lee’s lack of involvement with its development, and Respondent’s failure to offer any explanation regarding the development of land values and the ECF applied by Respondent.

As stated above, the Tribunal finds that the sales comparison approach is the appropriate methodology to use in valuing the subject property for the tax years at issue. The Tribunal, however, finds substantial flaws with the sales comparison approaches offered by the parties.

Respondent’s assessor relies on two sales of comparable properties,<sup>2</sup> both of which he contends were arm’s-length transactions, although neither of these properties were listed for sale. Instead, testimony in this case suggests that Respondent’s comparable 1 was not purchased for use as an automobile dealership and comparable 2 was impacted by litigation and by incentives paid as a result of that litigation. Further, given the sale dates of August, 2007, and June, 2008, of the two comparable sales, the Tribunal finds that Respondent failed to make an adjustment for market conditions to reflect the significant downturn in the automobile industry in late 2008. Although Respondent’s assessor recognizes this downturn in the automobile industry created an oversupply of auto dealerships in Michigan, he contends that the subject “enjoys a prime location for a car dealership.” (Respondent’s appraisal, p. 31)

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<sup>2</sup> Although Respondent’s assessor also identified a comparable listing, he did not rely on this comparable in reaching his value conclusions for 2009 and 2010 (Respondent’s Summary Appraisal, p. 32).

Respondent relies on the sale of the subject property in August, 2010, and his comparable listing to provide support for his conclusion that the value of the subject property for 2009 and 2010 is \$120 per square foot, and was not impacted by the economic downturn in the auto industry. The evidence in this case is clear that the sale of the subject property in August, 2010, was not an arm's-length transaction. Not only was the sale price negotiated in 2006, when the economy was significantly better than in 2010, but the sale price was the required minimum sale price negotiated by the parties when structuring their five-year lease arrangement. Simply, after four years of doing business at the subject location, Graff Chevrolet had the option to either purchase the subject property for the minimum price established in the lease, or walk away from the lease, cease doing business at this location, and potentially incur monetary damages. The sale of the subject property in 2010 was clearly not an arm's-length transaction and does not provide credible verification for Respondent's value determination. The listing identified by Respondent also fails to provide credible verification of value, given its existing lease by the potential purchaser of the property and its significantly smaller size. Respondent has failed to support his determination of the true cash value of the subject property using the sales comparison approach because his comparable sales are not arm's-length transactions, he relied on extrinsic evidence of sales or listings in 2010 that are not arm's length, and because he failed to give any weight to deteriorating market conditions in the automobile industry after late 2008.

Because the Tribunal does not find the two comparable sales identified by Respondent to be credible, the Tribunal generally accepts Petitioner's identification of



comparable sales located outside of the Lansing area. Although the Tribunal has concerns with the sales comparison approach methodology applied by Petitioner's appraiser, the Tribunal finds Petitioner's market approach to be more credible than that offered by Respondent. Specifically, the Tribunal is concerned with (i) Petitioner's appraiser's reliance on comparable sales located outside the Lansing area without making appropriate adjustments for location differences for comparable sales 3, 4, and 5, and (ii) Petitioner's appraiser's methodology that reduces the sale price by a land value determined primarily by relying on local assessors' land value determinations, which cannot be verified. Therefore, the Tribunal has applied a different market methodology to verify the true cash value of the subject property determined by Petitioner by relying on Petitioner's comparable sale 3, which Petitioner's assessor agrees is one of his best comparables primarily because of date of sale and location, and which the Tribunal agrees is comparable to the subject in land area and building size. The Tribunal has determined a total per square foot value without adjusting for unverified land values, without adjusting for location because, unlike the Albion comparable, the Grand Haven location is comparable to the subject, and accepting Petitioner's appraiser's adjustments for age and market conditions to determine a true cash value of the subject property for the tax years at issue of approximately \$1.8 million, which is consistent with the value conclusions made by Petitioner's appraiser.

The Tribunal finds, based upon the Findings of Fact and the Conclusions of Law set forth herein, that Petitioner did prove by a preponderance of the evidence that it is assessed in excess of 50% of market value. The subject property's true cash values

(TCV), state equalized values (SEV), and taxable values (TV) are as stated in the Introduction section above.

### **JUDGMENT**

IT IS ORDERED that the property's assessed and taxable values for the tax year at issue are MODIFIED as set forth in the Introduction section of this Final Opinion and Judgment.

IT IS FURTHER ORDERED that the officer charged with maintaining the assessment rolls for the tax years at issue shall correct or cause the assessment rolls to be corrected to reflect the property's true cash and taxable values as finally shown in this Final Opinion and Judgment within 90 days of the entry of the Final Opinion and Judgment, subject to the processes of equalization. See MCL 205.755. To the extent that the final level of assessment for a given year has not yet been determined and published, the assessment rolls shall be corrected once the final level is published or becomes known.

IT IS FURTHER ORDERED that the officer charged with collecting or refunding the affected taxes shall collect taxes and any applicable interest or issue a refund as required by this Order within 28 days of the entry of this Order. If a refund is warranted, it shall include a proportionate share of any property tax administration fees paid and of penalty and interest paid on delinquent taxes. The refund shall also separately indicate the amount of the taxes, fees, penalties, and interest being refunded. A sum determined by the Tribunal to have been unlawfully paid shall bear interest from the date of payment to the date of judgment and the judgment shall bear interest to the date of its payment. A sum determined by the Tribunal to have been underpaid shall not

bear interest for any time period prior to 28 days after the issuance of the Tribunal's order. As provided in 1994 PA 254, being MCL 205.737, as amended, interest shall accrue for periods after March 31, 1985, but before April 1, 1994, at a rate of 9% per year. After March 31, 1994, but before January 1, 1996, interest rate of the 94-day discount Treasury bill rate for the first Monday in each month plus 1%. As provided in 1995 PA 232, being MCL 205.737, as amended, interest shall accrue for periods after January 1, 1996 at an interest rate set each year by the Department of Treasury.

Pursuant to 1995 PA 232, interest shall accrue (i) after December 31, 1995 at the rate of 6.55% for calendar year 1996, (ii) after December 31, 1996 at the rate of 6.11% for calendar year 1997, (iii) after December 31, 1997 at the rate of 6.04% for calendar year 1998, (iv) after December 31, 1998 at the rate of 6.01% for calendar year 1999, (v) after December 31, 1999 at the rate of 5.49% for calendar year 2000, (vi) after December 31, 2000 at the rate of 6.56% for calendar year 2001, (vii) after December 31, 2001 at the rate of 5.56% for calendar year 2002, (viii) after December 31, 2002 at the rate of 2.78% for calendar year 2003, (ix) after December 31, 2003 at the rate of 2.16% for calendar year 2004, (x) after December 31, 2004 at the rate of 2.07% for calendar year 2005, (xi) after December 31, 2005 at the rate of 3.66% for calendar year 2006, (xii) after December 31, 2006 at the rate of 5.42% for calendar year 2007, and (xiii) after December 31, 2007 at the rate of 5.81% for calendar year 2008, (xiv) after December 31, 2008, at the rate of 3.31% for calendar year 2009, and (xv) after December 31, 2009, at the rate of 1.23% for calendar year 2010, (xvii) after December 31, 2010 at the rate of 1.12% for calendar year 2011, and (xv) after December 31, 2011 at the rate of 1.09% for calendar year 2012.

This Order resolves all pending claims in this matter and closes this case.

MICHIGAN TAX TRIBUNAL

Entered: March 13, 2012

By: Steven H. Lasher