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DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

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**MICHIGAN TAX TRIBUNAL PERSONNEL CHANGES
REMINDER OF GOOD CAUSE REQUIREMENT FOR
ADJOURNMENTS/EXTENSIONS
CASE BRIEF OF INTEREST**

Tribunal Personnel Changes:

The Michigan Tax Tribunal congratulates and bids a fond farewell to long-time Administrative Law Specialist and MTT veteran Wesley Margeson who recently transitioned to a new position with the Michigan Attorney General's office. We will miss Wes's expertise and knowledge and wish him well as he continues his public service in his new role. Thank you for your many contributions to the MTT.

Reminder of Good Cause Requirement for Adjournments/Extensions:

A previous MTT Newsletter of April 2, 2020, had indicated that motions to adjourn or extend would be liberally granted with immediate consideration. Please be advised that **"good cause"** is still required to be stated in the motion, along with an enunciation of a satisfactory cause or reason for the need for the extension or adjournment. **Motions lacking a showing of good cause, will be denied.**

Please also be reminded that motions to extend should be filed 28 days prior to a valuation disclosure deadline, or in the case of a stipulated motion, 7 days, with the exception of emergencies.

Case Brief of Interest:

West St. Joseph Property LLC v Delta Township, ___ Mich App ___, ___; ___ NW2d ___ (2021) (Docket No. 354205). (AFFIRMED)

Petitioner appealed from the Tribunal's granting of Summary Disposition in favor of Respondent. Petitioner argues that the property was exempt under MCL 211.71 as "public property belonging to the state" on December 31, 2018, and the lease agreement between Petitioner and the state constituted a transfer of ownership under MCL 211.27a(6)(g). After consulting dictionary definitions, the Tribunal concluded that the term "belonging to" in MCL 211.71 equated to ownership by way of legal title and the

property did not “belong to” the state and therefore, Petitioner was not entitled to a property tax exemption for the 2019 tax year. The Court of Appeals affirmed the Tribunal’s decision. The court stated that under the plain language of MCL 18.1222, property may be deemed “public property” that is exempt under the GPTA, without regard to whether it “belongs to” the State, if certain conditions are met. Specifically, the provision is satisfied “if the state as lessee under [an] installment lease agreement” is required either to “pay any taxes” or to “reimburse the lessor for any payments the lessor has made.” As neither of those conditions is satisfied by the lease in this case, the property is not exempt from taxation by virtue of MCL 18.1222. The Court also noted that even if they were to accept that the phrase “belonging to” encompassed equitable ownership, the facts that the purchase option in the lease is not binding, that the State is not obligated to pay taxes, and that petitioner otherwise held itself out as the owner, tend to show that the State was not an equitable owner. Further, MCL 211.71 requires that a deed or other memorandum of conveyance be recorded, or the assessor notified of the acquisition by registered mail, which Petitioner did not do in this case. Therefore, the Court found the property does not meet all of the requirements of MCL 211.71 and petitioner is not entitled to the exemption. It was noted that, if the State had been made responsible for the payment or reimbursement of property taxes under the lease, the property would have qualified for exemption under MCL 18.1222. The Court also found the Tribunal did not abuse its discretion by denying petitioner’s motion for leave to file a reply brief or by denying petitioner’s motion for reconsideration.

Best wishes for a great Michigan Autumn season.

Sincerely,



Steven M. Bieda
Chairperson, Michigan Tax Tribunal