

# MICHIGAN REAL PROPERTY REVIEW

REAL PROPERTY LAW SECTION

STATE BAR OF MICHIGAN

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Help!	on front of newsletter

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To tax and to please, no more than to love  
and be wise, is not given to men.

Edmund Burke

REVENUE ACT OF 1978: EFFECT UPON INDEXING  
REQUIREMENTS OF FEDERAL TAX LIENS

by

Richard H. Schloss  
Gourwitz, Barr & Schwartz

Prior to the Tax Reform Act of 1976, Internal Revenue Code Section 6323 (f) (1) provided that a notice of Federal tax lien be filed, in the case of both real and personal property, in the office designated by the laws of the particular State in which the property subject to the lien was situated. The Tax Reform Act of 1976 added the additional requirement that the notice of lien be recorded in a public index at the District Office of the Internal Revenue Service where the property was situated (Code Section 6323 [f] [4]). If this second requirement was not met, the lien would not be valid. This provision was added to protect the purchaser in a case where a local official failed to record a notice of lien in a Real Property Index.

This additional requirement, however, apparently caused a hardship for title insurance companies, who had to check both State or county offices and IRS offices for any Federal tax liens. Accordingly, Section 702 (q) of the Revenue Act of 1978 amended Code Section 6323 (f) (4) (apparently to conform to State laws regarding indexing of liens and notice to purchasers) by removing, effective November 6, 1978, for both real and personal property, the indexing requirement at the local IRS District Office. However, a new indexing requirement was added with regard to real property. Congress excluded personal property from the requirement of indexing to be consistent with the perfection-by-filing approach taken under the secured transactions Article of the Uniform Commercial Code.

With regard to real property, a notice of Federal tax lien will not be considered as meeting the new filing requirements unless the fact of filing is entered and recorded in a public index at the applicable State, county or local office where the initial notice is required to be filed. However, this new indexing requirement is to apply only if the following two (2) conditions are met:

1. State law must require public indexing of a deed to be valid against a purchaser of property who (at the time of purchase) does not have actual notice or knowledge. Thus, the Federal tax lien is not to be singled out for an indexing requirement under applicable State law when other interests are not required to be indexed for protection against subsequent purchasers; and
2. The appropriate office where notices of tax liens are filed must have an adequate system for indexing of Federal tax liens. This system must be set up and maintained in such a way that a reasonable inspection of the index will reveal the existence of the tax lien. In addition, the local clerk responsible for indexing must consistently index the notices within a reasonable time after notices of tax liens have been filed by the IRS.

Where the above two conditions are satisfied, the priority of a Federal tax lien against purchasers and other creditors will be determined by reference to the time of indexing rather than the time of filing of the notice of tax lien. Purchasers and creditors, who acquire their interest in the property subject to a

tax lien before the notice of tax lien has been indexed, will be protected against a previously filed tax lien. Where a State law does not satisfy the above conditions, it is apparently not necessary to index Federal tax liens in order to give them priority against purchasers or other creditors.

MCLA Section 211.671 et seq., adopting the "Uniform Federal Tax Lien Registration Act," appears to satisfy the second requirement of an adequate system for public indexing. With regard to the first requirement, the Congressional Committee Reports state that it is expected the IRS will issue rulings to advise the public as to its understanding of which States require indexing for protection against subsequent purchasers and which do not. Until the Rulings are issued, it should be noted that MCLA Section 565.28 requires every register of deeds to "keep a proper general index to each of the set of books in which he shall enter, alphabetically the name of each and every party to each instrument recorded by him..." Also, MCLA Section 565.29, defining the rights of a purchaser against an unrecorded deed, states in part:

Every conveyance of real estate within the state hereafter made, which shall not be recorded as provided in this chapter, shall be void as against any subsequent purchaser in good faith and for a valuable consideration, of the same real estate or any portion thereof, whose conveyance shall be first duly recorded.

From a review of the annotations set forth after said statutes, it appears that under Michigan law, the first requirement is satisfied since a deed is not valid against a purchaser of property who, at the time of the purchase, does not have actual notice or knowledge of the existence of such deed unless the deed has been recorded. However, until the IRS rulings are issued, some uncertainty still exists.

With regard to procedures under the Revenue Act of 1978, the local IRS District Office is simply following the same procedures as prior to the Tax Reform Act of 1976; i.e., they are filing the notices at the proper State, county or local office. They have discontinued indexing liens at their office since January, 1979.

All practitioners should be aware of the new requirements. The Michigan Land Title Standards Committee is presently preparing revisions to Chapter XX to reflect the revisions necessitated by the Revenue Act of 1978. After the revisions are approved and adopted, a more definitive explanation of the effect of the Revenue Act of 1978 on filing of Federal tax liens, and the attendant changes to the Michigan Land Title Standards, will be published.

1978 DECISIONS BY THE COURT OF APPEALS AND MICHIGAN  
TAX TRIBUNAL AFFECTING ASSESSMENTS OF REAL PROPERTY

by

Michael B. Shapiro  
Honigman Miller Schwartz and Cohn

In 1978, the Court of Appeals and the Michigan Tax Tribunal made several very important decisions affecting assessments and the procedure for appealing assessments of real property in Michigan. Decisions were rendered providing guidance on questions relating to the effect of obsolete improvements, the income to be used in the valuation of property subject to a short-term lease, the effect of favorable financing with respect to the sale of property used as a comparable for purposes of determining a capitalization rate, property subject to a use restriction and property held under a land lease. In several exemption cases, the Tribunal continued to construe exemption sections very strictly against the claimant and in favor of the taxing power.

The following discussion briefly summarizes the decisions of the Court of Appeals and Michigan Tax Tribunal affecting property tax assessments involving issues other than equalization and exemption:

In Ramblewood Associates v City of Wyoming, 82 Mich App 342, the Court of Appeals distinguished CAF Investment Co. v State Tax Commission, 392 Mich 442 (1974), in which the Supreme Court held that property subject to a long-term lease must be valued based upon actual rent derived from the property as opposed to "market" rent. The Court held that in valuing petitioner's apartment project, the Tribunal was justified in adjusting actual rent based upon the market rental of comparable properties. In both cases, the leases in effect were the product of arm's-length bargaining between two unrelated parties. The key factual difference between the two cases, however, was that in CAF a potential purchaser could not alter the rental rate even if market conditions warranted. Whereas, the apartment project being valued in Ramblewood, was not subject to a long-term lease, all leases being for an initial term of one year and thereafter on a month-to-month basis. Rentals could be adjusted by the purchaser of the apartment project, but not by the owner of property encumbered by a long-term lease.

In Consumers Power Company v Big Prairie Township, 81 Mich App 120, the Court of Appeals reviewed a Tribunal decision relating to the valuation of a hydro-electric generating station owned by a utility company. The Court held that because the subject property is by size and potential use unusual, the Tribunal correctly rejected what other utilities would pay for the property as being relevant since the value would have been affected by the authorized rate of return set by the Public Service Commission. The Tribunal must weigh the methods available for valuation and adopt that method which is most appropriate for the property being valued although it is impermissible to make the assessment by averaging the results under each method used. The depreciated net cost of the project, the basis on which a buyer would be entitled to earn a profit from the Public Service Commission, was held to be an unreasonable method. The Tribunal's conclusion that adjusted depreciated reconstruction cost was most appropriate for valuing the subject property was proper under the facts of this case. The Court also held that the Tribunal has the authority to increase assessments despite the lack of clear statutory authority to that effect.

In Grand Mobile Estates v Gaines Township, Docket Nos. 5412, 26942, the petitioner appealed the real property assessments of a mobile home park. The Tribunal held that property must be valued as of tax day based on conditions at that time. Accordingly, in utilizing the capitalization of income method of appraisal, future income must be considered which, under the facts of this case, required utilization of the rent schedule in effect on tax day.

In Woodgate Associates v City of Lansing, Ingham County, Docket No. 6719, the parties stipulated that the capitalization of income method was the most reliable indication of the value of petitioner's apartment project and stipulated as to gross income, vacancy and credit loss, expenses and property tax capitalization rate. The only dispute was as to the appropriate overall capitalization rate to be used. The Tribunal rejected respondent's conclusions as to the appropriate capitalization rate because respondent relied upon the sales of comparable properties involving favorable financing to the purchaser and not cash terms or new financing at prevailing rates with contract terms generally available at the time of the purchase. The Tribunal held that if a sale of property is artificially depressed (e.g. a forced sale) or artificially inflated (e.g. a sale with financing favorable to the purchaser) and the sale price directly affected the assessor's computation of true cash value, the assessment is erroneous as a matter of law.

In Southern Salvage, Inc. and Reo Properties, Inc. v City of Lansing, Docket Nos. 15812, 15813, the Tribunal held that if building improvements no longer add to the value of land, but are in fact an economic burden to the land on which they exist, the true cash value of the property is the residual value of the land less the cost of demolishing the improvements.

In Deerfield Village Community Associates v West Bloomfield Township, Docket No. 4-2732, the subject property consisted of a parcel of land improved with a community house, swimming pool, wading pool, parking lot and fence which was conveyed to a community association, a nonprofit corporation, which held the property for the benefit of the residents of Deerfield Village subdivision. Covenants and restrictions relating to the subject property, which were recorded with the county register of deeds, provided that the use of the property is limited for recreational and decorative purposes for the benefit of residents of the subdivision and other nearby areas. Petitioner contended that the value of the subject property was reflected in the true cash values of the other properties in Deerfield Village and that by assessing the subject property separately, the property owners in Deerfield Village were in effect taxed twice. The Tribunal rejected petitioner's contention and concluded that the subject property had a usual selling price separate and distinguishable from the usual selling price of the other properties comprising the Deerfield Village subdivision and, therefore, must be assessed individually on its own merits. The Tribunal concluded, however, that the use restrictions of the subject property significantly impaired its value and that the effect of these restrictions must be considered in determining its true cash value.

In Howard J. Bohnet, et al v DeWitt Township, Docket No. 5783, the Tribunal held that in valuing petitioner's office building (which was located on leased land) by the capitalization of income method of valuation, it is inappropriate to include as a fixed expense the land rental paid. The Tribunal also held that where respondent's appraiser used 317% and 291% adjustment factors based solely upon the difference in size between the subject property and two comparable properties, the "comparables" were invalid and outside tolerable limits to suggest any comparison with the subject property.

In Bloomfield Hills Christian Church v City of Bloomfield Hills, Docket No. 14783, the Tribunal held that an appearance before the Board of Review must be affirmatively alleged not only for the year in which the assessment appeal originates, but also for each subsequent tax year in order for subsequent assessments to be consolidated with the original appeal.

In Manpower of Kent County v City of Grand Rapids, Docket No. 25581, the petitioner requested a transfer of its proceeding before the Small Claims Division to the entire Tribunal subsequent to a hearing and decision by the Small Claims Division. The Tribunal held that a transfer to the entire Tribunal pursuant to Section 64(2) of the Tax Tribunal Act was not appropriate at that stage of the proceeding and that petitioner's sole recourse laid in a de novo rehearing before a Tribunal member pursuant to Section 62(3) of the Tax Tribunal Act.

In Patrick & Michael Eyde v City of Jackson, Docket Nos. 1977, 6811, the petitioners failed to introduce any testimony as to the true cash value of their property and relied upon their cross-examination of the city assessor. Although the assessor testified that assessments have in general not been updated since 1940 and the Tribunal concluded that the assessment practices of the City of Jackson appeared to be unacceptable, the Tribunal granted respondent's motion for judgment of dismissal since the petitioners failed to prove the true cash value of their property or that their property was not assessed at the average level of assessment in Jackson.

## THE LEGISLATIVE SCENE

Committee on Legislation  
Joseph H. Hollander, Chairman

Since the last issue of the Review House Bills 4084, 4139 and 4486 have been signed into law by the Governor. H.B. 4084 (now Public Act No. 50) is an amendment to the Truth in Renting Act generally limited in application to consumer cooperatives. H.B. 4139, signed into law on August 1 as Public Act No. 79, permits local governments to deposit funds in banks, savings and loan associations and credit unions which comply with the state anti-redlining law and participate in the state housing development authority's housing and neighborhood improvement programs. Finally, H.B. 4486 which became law on July 7 as Public Act No. 57, contains technical corrective amendments and other changes to the recently enacted Probate Code. All of the foregoing public acts are effective immediately unless a specific effective date is set forth in the act, in which event the specific date takes precedence.

Action on Previously Reported Bills

- H.B. 4084: 2/13/79 2nd reading with amendments; 2/28/79 3rd reading with amendments; 3/1/79 passed, I.E.; 3/7/79 Committee on Judiciary; 6/28/79 3rd reading with amendments; 6/29/79 passed, I.E.; 7/3/79 presented to Governor; 7/7/79 Approved by Governor, Public Act No. 50, I.E.
- H.B. 4139: 6/27/79 2nd reading with amendments; 6/27/79 3rd reading with amendments, passed; 6/28/79 Committee on Corporations & Economic Development; 7/13/79 3rd reading; 7/13/79 passed, I.E.; 7/13/79 ordered enrolled.
- H.B. 4252: 4/2/79 2nd reading with substitute; 4/10/79 3rd reading with substitute; 4/11/79 passed; 4/24/79 Committee on State & Veterans Affairs; 6/14/79 General Orders with amendments; 6/18/79 3rd reading with amendments; 6/19/79 passed; 6/27/79 presented to Governor; 7/7/79 approved by Governor, Public Act No. 49, I.E.
- H.B. 4371: 5/21/79 2nd reading with substitute; 5/29/79 3rd reading with substitute; 5/31/79 Committee on Appropriations; 6/27/79 2nd reading; 7/5/79 3rd reading; 7/11/79 passed, I.E.; 7/12/79 Committee on Corporations & Economic Development.
- H.B. 4486: 5/8/79 2nd reading with amendments; 5/24/79 amended; 6/5/79 3rd reading with amendments; 6/6/79 passed; 7/7/79 Committee on Judiciary; 6/21/79 General Orders with amendments; 6/28/79 3rd reading with amendments; 6/29/79 passed, I.E.; 6/29/79 Senate amendments concurred in, I.E., ordered enrolled; 7/3/79 presented to Governor; 7/7/79 approved by Governor, Public Act No. 51, I.E.
- H.B. 4609: 6/20/79 2nd reading; 6/25/79 3rd reading, passed; 6/26/79 Committee on Finance; 7/11/79 3rd reading; 7/12/79 passed, I.E.
- S.B. 443: 6/28/79 General orders with amendments; 7/6/79 3rd reading with amendments; 7/12/79 amended, passed; 7/13/79 Committee on Conservation, Environment & Recreation.

S.B. 485: 7/6/79 3rd reading; 7/12/79 passed; 7/12/79 Committee on Towns and Counties.

S.B. 486: 7/6/79 3rd reading; 7/12/79 passed; 7/12/79 Committee on Economic Development & Energy.

Newly Introduced Legislation

H.B. 4654: The bill would amend Section 5 of 1921 PA 207 by providing, inter alia, that a variance in an ordinance dealing with land use be approved by a vote of two-thirds of the members of a zoning board of appeals (Introduced on June 5, 1979 by Rep. Sietsema and referred to the Committee on Towns & Counties).

H.B. 4655: The bill would amend Section 9 of 1978 PA 255, the Commercial Redevelopment Act, by permitting tax exemption for personal property of a facility for which a commercial facility's exemption certificate is in effect (Introduced on June 6, 1979 by Rep. Jowett and referred to the Committee on Taxation).

H.B. 4679: The bill would amend 1921 PA 207 by adding Section 3c which would regulate the location of fast-food service establishments (Introduced on June 13, 1979 by Rep. Keith and referred to the Committee on Towns & Counties).

H.B. 4796: The bill would amend section 2 of 1919 PA 306 by including within the definition of real estate brokers and salespersons those who procure financing for real estate transactions (Introduced on July 13, 1979 by Rep. Keith and referred to the Committee on Corporations and Finance).

H.B. 4813: The bill would repeal 1966 PA 125 and provide for the regulation of mortgages and escrow accounts (Introduced on July 13, 1979 by Reps. Jondahl, et al, and referred to the Committee on Consumers).

S.B. 475: The bill proposes various amendments to 1893 PA 206, the general property tax act, in the area of tax sales (Introduced on June 6, 1979 by Sen. De Maso and referred to the Committee on Finance).

S.B. 476: The bill would amend Section 34 of 1893 PA 206, the general property tax act, by requiring the Board of Commissioners and the State Tax Commission to separately equalize by class agricultural, developmental, residential, commercial, industrial and timber cut over property (Introduced on June 6, 1979 by Sen. De Maso and referred to the Committee on Finance).

S.B. 477: The bill would amend 1893 PA 206, the general property tax act, by adding Section 24e which provides for the establishment of a certified tax rate and changes thereto (Introduced on June 6, 1979 by Sen. De Maso and referred to the Committee on Finance).

S.B. 478: The bill would amend Section 9 of 1978 PA 255, the commercial redevelopment act, by permitting tax exemption for personal property of a facility for which a commercial facility's exemption certificate is in effect (Introduced on June 6, 1979 by Sen. De Maso and referred to the Committee on Corporations and Economic Development).

- S.B. 485: The bill would amend Section 1 of 1966 PA 295 by permitting a condemnation of property if it is determined that such property is necessary for economic development projects (Introduced on June 11, 1979 by Sens. Vaughn, et al, and referred to the Committee on Corporations and Economic Development).
- S.B. 486: The bill would amend Section 22 of 1974 PA 338, the economic development corporations act, by changing the reference for economic development corporations acquiring property (Introduced on June 11, 1979 by Sens. Vaughn, et al, and referred to the Committee on Corporations and Economic Development).
- S.B. 487: The bill would amend 1967 PA 281, the income tax act of 1967, by providing for an additional property tax credit for certain renters (Introduced on June 11, 1979 by Sen. Ross and referred to the Committee on Finance).
- S.B. 488: The bill would amend Sections 1 and 2 of 1955 PA 10 by providing for the registration of centennial farms and homesteads as historic sites (Introduced on June 11, 1979 by Sens. Monsma and Allen and referred to the Committee on State and Veterans' Affairs).
- S.B. 492: The bill would amend various sections of 1974 PA 198 by including "speculative buildings" within the definition of industrial property eligible for tax abatement under the act (Introduced on June 11, 1979 by Sen. VanderLaan and referred to the Committee on Corporations and Economic Development).
- S.B. 503: The bill would amend Section 131 of 1893 PA 206, the general property tax act, by providing, inter alia, that the proceeds of the tax sale of land previously vested in the Department of Natural Resources be distributed in accordance with certain priorities (Introduced on June 14, 1979 by Sens. DiNello, et al, and referred to the Committee on Finance).
- S.B. 545: The bill would amend 1972 PA 348 by requiring landlords to pay interest on security deposits at a rate equal to that paid on United States Treasury bills (Introduced on June 27, 1979, by Sens. Ross, et al, and referred to the Committee on Consumers Affairs).
- S.B. 550: The bill would amend 1893 PA 206, the general property tax act, by adding a new Section 7L which would exempt from assessment the value of land and site improvements and rehabilitation of certain properties located in urban renewal districts (Introduced on June 28, 1979 by Sen. Kelly and referred to the Committee on Corporations and Economic Development).
- S.B. 551: The bill would amend Section 11 of 1959 PA 168 by providing that in townships where the powers and duties of the zoning board have been transferred to the planning commission, the first member of the Board of Appeals be a member of the township planning commission (Introduced on June 28, 1979 by Sens. Geake, et al, and referred to the Committee on Municipalities and Elections).

- S.B. 552: The bill would amend the title and Section 7a and 8 of 1945 PA 344 by providing authority for tax increment financing in urban redevelopment areas (Introduced on June 29, 1979 by Sen. De Maso and referred to the Committee on Corporations and Economic Development).
- S.B. 587: The bill would amend Section 1 of 1966 PA 285 by permitting a governmental unit to take property if it is a recipient of a grant from the water pollution control funds (Introduced on July 12, 1979 by Sen. Corbin and referred to the Committee on Municipalities and Elections).
- S.B. 590: The bill would amend the title in section 12 of 1943 PA 184 by permitting initiative for townships on zoning questions and modify referendum requirements (Introduced on July 12, 1979 by Sen. DiNello and referred to the Committee on Municipalities and Elections).
- S.B. 591: The bill would amend the title of and add sections 4f and 4g to 1921 PA 207 by permitting referendum and initiative on zoning questions for cities and villages (Introduced on July 12, 1979 by Sen. DiNello and referred to the Committee on Municipalities and Elections).
- S.B. 586: The bill would repeal 1891 PA 179, the mechanic's lien act, and substitute a new act providing for construction liens (Introduced on July 11, 1979 by Sens. VanderLaan and Engler and referred to the Committee on State and Veterans Affairs).
- S.B. 599: The bill would amend section 27 of 1893 PA 206, the general property tax act, by providing that the cash value of agricultural property be determined on the basis of its present economic income (Introduced on July 12, 1979 by Sens. Wellborn, et al, and referred to the Committee on Finance).

SECTION NEWS

Our thanks to authors Richard H. Schloss and Michael B. Shapiro for their articles prepared on behalf of the Real Estate Titles, Taxes and Encumbrances Committee. The Committee is chaired by Deane Malaker. In a cover letter accompanying his article, Mr. Schloss noted: "Since the Michigan Land Title Standards have not yet been revised to reflect the change brought about by the Act, the enclosed Article is more in the way of an announcement to advise practitioners that changes have been made in the law."

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CHAIRMAN'S MESSAGE

This is the last issue of the Real Property Review which will be published before the 1979 Annual Meeting and my term of office will end with the conclusion of that meeting.

It has been a privilege to serve you as Chairman of the Section during the past year. It was a rewarding experience.

I want to thank all of the members of the Council, the Committee Chairmen and Committee Members for all of their efforts, which have made the year another successful one.

Let us continue our joint efforts to make our Section one of the most active and productive in the State Bar of Michigan and to furnish to our members the knowledge and understanding of real property law which is necessary to successfully practice in these complicated times.

Allen E. Priestley  
Chairman

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IMPORTANT NOTICE

This is the time of year when we review the roster of committee chairpersons and members to finalize the appointments for the new year which commences with the annual meeting in September.

Committee work is interesting and self-satisfying for those who participate. The committees are also the source of our most constructive work to reform and improve real property law.

If you are interested in being appointed to one of our committees, please write to me at the address below, stating your committee preference. The following is a list of our standing committees, with a short description of the activities of each:

Titles, Liens and Conveyancing  
Deane Malaker, Chairman  
Shall concern itself with problems relative to estates in land, special liens and conveyancing of land.

State and Local Taxation

Russell Prins, Chairman

Shall concern itself with taxation of real property under state and local laws, and problems relating thereto.

Governmental Regulation of Land Use and Land Sales

Stephen A. Bromberg, Chairman

Shall concern itself with zoning, environmental regulation, subdivision control and regulation of land sales by all governmental agencies.

Mechanics' Liens

Richard W. Pennings, Chairman

Shall concern itself with all aspects of the Michigan Mechanics' Lien Law.

Leases, Cooperatives and Condominiums

William T. Myers, Chairman

Shall concern itself with all aspects of residential leasing and the formation and operation of cooperatives and condominiums.

Syndications and Commercial Transactions in Real Estate

Robert H. Janover, Chairman

Shall concern itself with the creation and operation of entities providing for multiple investors in real estate, shopping centers, industrial parks and other commercial developments of real estate.

Significant Legal Decisions

Nicholas C. Batch, Chairman

Shall concern itself with collecting and reporting significant State and Federal court decisions affecting real estate.

General Liaison

Jon H. Kingsepp

Shall concern itself with maintaining contact with other Sections and Committees of the State Bar and trade associations with real estate affiliations, and deals with other new developments in real estate law which may be assigned to it by the Council.

Secured Interests in Real Estate

Gary A. Taback, Chairman

Shall concern itself with mortgages, land contracts and other voluntary security interests in real property, including enforcement thereof.

Seminars, Workshops and Meetings

Richard E. Rabbideau, Chairman

Shall concern itself with planning and presenting of the Section's program of continuing legal education and planning and conducting Section meetings.

Publications

George J. Siedel, Chairman

Shall concern itself with preparation and publication of the Michigan Real Estate Review and other literature of the Section.

Legislation

Joseph Hollander, Chairman

Shall concern itself with reviewing proposed legislation (State and Federal), reporting to the Council and recommending passage or opposition thereto and assist the State Bar in securing the adoption of favorable legislation.

Standardization of Legal Forms

Paul Ward, Chairman

Shall concern itself with the drafting of proposed State Bar standard legal forms relative to real estate transactions.

James W. Draper  
Chairman-Elect  
35th Floor  
400 Renaissance Center  
Detroit, Michigan 48243

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ANNUAL MEETING PROGRAM

Thursday, September 20, 1979

9:00 A.M. - - - Annual Business Meeting of Section.

9:30 A.M. - - - Annual Business Meeting of Title Standards Committee.

10:00 A.M. - - - "Low Cost 'Economic Development Corporation' Financing for Business Development" by Louis W. Kasischke of Dykema, Gossett, Spencer, Goodnow & Trigg and Judson M. Werbelow of Dickinson, Wright, McKean, Cudlip & Moon.

2:00 P.M. - - - "The State of Real Property Law - 1979" by James W. Draper of Dykema, Gossett, Spencer, Goodnow & Trigg.

All section members are urged to attend this very interesting program.

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STATUS OF WILLIAMS & WORKS CASE

Richard Pennings, who chairs the Mechanics' Liens Committee, reports that on March 5, 1979, the Michigan Supreme Court granted leave to appeal in Williams & Works, Inc. v. Springfield Corporation (Docket No. 61180). It is unlikely that the case, which could have a significant impact on construction lending, will be heard until October.

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The following press releases were received from Michigan Chapter No. 10 of the American Institute of Real Estate Appraisers:

JULY 16, 1979 -- WARREN... The Michigan Chapter of the American Institute of Real Estate Appraisers of the National Association of Realtors announces the Appraisal Institute's Course VIII, Single Family Residential Appraisal, beginning September 7, 1979, on an extension basis at Oakland Community College, Orchard Ridge Campus, Farmington Hills, Michigan.

The course presents a complete foundation of applied principles and techniques for the valuation of single family residential properties. It is a combination lecture and case study course.

Instructors are Terrel Oetzel, MAI, Lansing, Michigan and Theodore Dwyer, RM, Jackson, Michigan.

Written examination for credit toward the Appraisal Institute's RM designation will be scheduled September 22, 1979. Individuals enrolling in the course should have had a basic exposure to residential real estate through experience in sales or brokerage, or appraisal.

For brochure, contact: C. Vickroy, Michigan Chapter No. 10, 28057 Palomino, Warren, MI 48093, Phone (313) 573-6987.

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WARREN, JULY 16, 1979 --- An Applied Appraisal Techniques Workshop, sponsored by the Michigan Chapter of the American Institute of Real Estate Appraisers, will be held at the Management Education Center of Michigan State University, Troy, Michigan, on September 27, 28, and 29, 1979.

The 2-1/2-day workshop will provide a survey of materials presently presented in Courses I-A, I-B and II, with particular emphasis on newer topics which have been introduced into the Courses most recently and the problems of practicing appraisers. Workshop topics include: Cost Approach, Market Data Approach, Income Approach, Compound Interest Factors, Concepts of Discounting, Present Worth of Deferred Income, Rate Selection, and Financing and Leverage. The program will be presented by John C. Albertson MAI, Louisville, KY and John D. Dorchester, Jr. MAI, Tulsa, OK.

Registration fee for the workshop is \$100, which includes student materials, coffee breaks and two luncheons. Fee after September 1 is \$115. For further information, contact: C. Vickroy, Michigan Chapter No. 10, 28057 Palomino, Warren, MI 48093, Phone (313) 573-6987.

MICHIGAN REAL PROPERTY LAW BOOK AVAILABLE

The Real Property Law Section has made plans to reprint in book form a number of articles which have appeared in the Michigan Real Property Review. The articles have been selected on the basis of their practical value to Michigan attorneys and other real estate professionals. Individual reprints of the articles, which have frequently been requested by members of the Bar, are unavailable because back issues of the Review are out-of-print.

To order a copy of the book, please send a check for \$5.00, payable to The University of Michigan, to:

The Division of Research  
Graduate School of Business Administration  
The University of Michigan  
Ann Arbor, Michigan 48109

The book is available to members of the Bar and to the general public. However, orders should be placed immediately, as the number of copies printed will be based upon pre-publication orders. The price includes Michigan sales tax and postage.