

TAXATION LAW SECTION

Respectfully submits the following position on:

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HB 4412

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The Taxation Law Section is not the State Bar of Michigan itself, but rather a Section which members of the State Bar choose voluntarily to join, based on common professional interest.

The position expressed is that of the Taxation Law Section only and is not the position of the State Bar of Michigan.

To date, the State Bar does not have a position on this matter.

The total membership of the Taxation Law Section is 1,222.

The position was adopted after an electronic discussion and vote. The number of members in the decision-making body is 14. The number who voted in favor to this position was 11. The number who voted opposed to this position was 0. The number who abstained from voting was 2.

Report on Public Policy Position

Name of section:

Taxation Section

Contact person:

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Bill Number:

[HB 4412](#) (Idea) Property tax; tax tribunal; tribunal procedures; revise, and provide other general amendments. Amends secs. 3, 21, 22, 25, 26, 32, 34, 35a, 49, 51 & 62 of [1973 PA 186](#) (MCL [205.703](#) et seq.) & repeals sec. 23 of 1973 PA 186 (MCL [205.723](#)).

Date position was adopted:

April 28, 2017

Process used to take the ideological position:

Position adopted after an electronic discussion and vote.

Number of members in the decision-making body:

14

Number who voted in favor and opposed to the position:

11 Voted for position

0 Voted against position

2 Abstained from vote

1 Did not vote (absent)

Position:

Support

Explanation of the position, including any recommended amendments:

On November 3, 2016, the Taxation Section adopted by Resolution a Policy Statement on Michigan Tax Tribunal Reform which states that the Section “supports legislation that improves the Michigan Tax Tribunal’s process to promote the fair and just administration of state and local tax assessments.”

House Bill 4412, introduced earlier this year, would implement comprehensive reform of the Tax Tribunal. An ad hoc committee, appointed at a Taxation Section Council meeting by the Chair, Alex Domenicucci, reviewed HB 4412 and determined that HB 4412 is aligned with the Section’s policy statement. Notable changes in HB 4412 that seek to improve Tax Tribunal administration include:

- Raising the salary of Tax Tribunal members (judges) to the salary level of administrative law managers.
- Allowing part-time members.
- Allowing temporary member appointments, if needed.
- Requiring the Governor to seek a list of qualified member candidates from professional associations in the state.
- Aligning restrictions/rules on members' activities outside of the Tax Tribunal with those placed on state court judges.
- Permitting the Tax Tribunal to operate out of state regional offices.
- Expanding the scope of promulgated rules the Tax Tribunal may propose to include ones on mediation, ethical standards and training for members, and docket maintenance.
- Extending the time for filing a non-property tax petition from 35 to 90 days.
- Requiring petition signers to certify the petition is grounded in fact and filed in good faith.
- Requiring the state to appropriate funds to the MTT sufficient to maintain its operation in accordance with the MTT Act.
- Requiring members to issue opinions within 120 days of hearings or post-hearing briefs being filed.
- Raising the limit for filing in the small claims division, rather than the entire tribunal, to \$100,000 for non-prop cases and allowing property cases to be filed in the small claims division with the acquiescence of the opposing party when the taxable value or SEV amount at issue is \$100,000-\$250,000.

The ad hoc committee recommended that Council take a formal position in favor of HB 4412. Council then voted electronically in favor of supporting HB 4412.

The text of any legislation, court rule, or administrative regulation that is the subject of or referenced in this report.

<http://legislature.mi.gov/doc.aspx?2017-HB-4412>

FOR LEGISLATIVE ISSUES ONLY:

This position falls within the following Keller-permissible category:

- The regulation and discipline of attorneys
- ✓ The improvement of the functioning of the courts
- The availability of legal services to society
- The regulation of attorney trust accounts
- The regulation of the legal profession, including the education, the ethics, the competency, and the integrity of the profession.