

ALGER COUNTY BOARD OF COMMISSIONERS

Mary Ann Froberg, Clerk
101 COURT STREET, MUNISING, MI 49862

RESOLUTION #2016-15 DARK STORES / MICHIGAN TAX TRIBUNAL

At a regular meeting of the Alger County Board of Commissioners held on August 15, 2016 at Munising, Michigan.

Present were: Commissioners Mattson, Pullen, Rondeau, VanLandschoot, and Doucette

Absent were: None

WHEREAS, the Michigan Tax Tribunal (MTT) has, in recent years, used a faulty interpretation of the tax assessment law which dramatically reduces the property tax liabilities of fully functioning major “big box” retail stores; and

WHEREAS, under the “dark store” theory, big box stores are appealing their property tax assessments to the MTT, arguing that the basis of the fair market value of their fully operating store should include comparisons to sales of similar properties that are vacant and abandoned, or are now used for a different-less valuable use; and

WHEREAS, the MTT has upheld this theory and cut property tax assessments significantly and, as a result, counties, townships, schools and local units are losing millions of dollars, impacting services to their residents and students; and

WHEREAS, additionally, big box stores are putting deed restrictions on their properties that severely limit how the building can be used once it’s vacant resulting in buildings remaining empty and adding to the blight problem in Michigan communities; and

WHEREAS, the issue is already having a growing impact as other businesses such as; restaurants, national chain pharmacies, auto part stores, are now seeking the same treatment and without action, the problem will only get worse; and

WHEREAS, the reduction of property tax liabilities creates huge cuts in the funding to state and local units of government like cities, counties, townships, and school districts; and

WHEREAS, the decisions of the MTT are a catastrophic departure from the tax assessment process required by law and all precedents in the matter, all at the expense of local governments, their residents and other businesses in the communities; now

THEREFORE, BE IT RESOLVED, that the Alger County Board of Commissioners strongly supports the passage of House Bill 4909, House Bill 5578 and Senate Bill 524 that include measures to address the following three (3) issues:

1. All properties, including big box stores, must be assessed at their highest and best use;
2. The legislation will limit the use of deed restrictions to prevent the “dark store” theory of using vacant, deed restricted properties for the purpose of lowering value and eliminating competition;
3. The Michigan Tax Tribunal will be required to consider all three (3) methods of assessing – ‘cost minus depreciation’, ‘sales comparison’, and ‘income’ – when determining a property’s true cash value; and

BE IT FURTHER RESOLVED, that a copy of this resolution shall be forwarded to all Michigan Counties, Representative John Kivela, Senator Tom Casperson, Governor Snyder, and the Michigan Association of Counties.

CERTIFICATION

I hereby certify that the Resolutions set forth above were adopted by the Board of Commissioners of Alger County at the time, date, and place specified above pursuant to the required statutory procedures.

Respectfully submitted,



Mary Ann Froberg, County Clerk

Dated: August 15, 2016

