

**MINUTES OF BOARD OF REVIEW - CITY OF MANISTEE**

**MEETING HELD AT CITY HALL, 70 MAPLE ST., MANISTEE MI  
MARCH 15, 2013  
9:00 A.M.**

The Board of Review was called to order at 9:30 a.m. on March 15, 2013. Chairperson Therran Ferguson, Member Lynda Beaton and Julie Beardslee, City Assessor and Secretary to the Board of Review, were present for this decision making session of the Board. T. Eftaxiadis called, he was having car trouble. T. Eftaxiadis arrived at 9:45 a.m. This special meeting was called on Monday March 11, 2013, as a special decision making session of the Board of Review. The meeting was posted on two bulletin boards at the interior and exterior entrances of City Hall as a special meeting, on Wednesday March 13, 2013 at 9:45 a.m., giving 18 hour special meeting notice as required by Section 15.265(4) of the Open Meetings Act.

The Board reviewed letters and determined petitions. Please see the Board of Review Summary for petitions decided this day. Petitions can be found in the petition notebook.

A motion for denials of Petitions 39 through 42 filed by Mary Gleason, attorney for Aztec Producing, was made by Therran Ferguson, seconded by Lynda Beaton. Aztec Producing did not file any personal property statements for the four parcels of oil and gas well equipment in the City of Manistee, as is required by law. The motion for denial of Aztec Producing petitions passed unanimously. In addition each individual appeal was denied by the required roll call vote as evidenced on each petition.

There was discussion about the effect of "following sales." The Board was reminded by the City Assessor that 211.27(5) of the General Property Tax Law did not allow the assessor or the Board of Review to "follow sales" and set values at 50% of a sale price. Documentation was provided to the Board: **Board of Review 2013**, the outline of a presentation by Larry Griggs in 2013, a publication entitled **Boards of Review, Prepared by the Michigan State Tax Commission, Issued October 26, 2010, STC Bulletin No. 19 of 1997, THE ILLEGAL PRACTICES OF: A) "FOLLOWING SALES."**

Sales are used in Economic Condition Factor studies to determine the value of the 40+ geographic/economic neighborhoods in the City of Manistee. Screened and verified sales become the underlying "infrastructure" of the tax base, through ECF studies and Land Value Studies. Assessing sales or Board of Review adjustments, changing values to 50% of a sale price may destroy the equity of assessed value from parcel to parcel, in the neighborhood. The Board of Review Guide of 10-26-10, published by the State Tax Commission states that the practice is illegal in Michigan:



“An individual sale price IS NOT the same as True Cash Value (similar to market value) of the property due to a variety of reasons, including among those an uninformed buyer, an uninformed seller, insufficient marketing time, buyer and seller are relatives, and other reasons. Actual price is seldom equal to value.”

There was discussion regarding a possible telephone conference call with Larry Griggs, District Supervisor of the State Tax Commission, to discuss the subject.

There was discussion regarding the inclusion of real estate commissions in the market value of property. The Board was reminded that 211.27(3) MCL does not exclude commissions from the definition of market value. Discussion regarding this matter will be held at the July 2013 Board of Review meeting.

The Board made a motion for final adjournment of the 2013 Board of Review at 12:35 p.m., with a motion by T. Eftaxiadis, seconded by Therran Ferguson and approved unanimously.

**RESPECTFULLY SUBMITTED:**



**Julie Beardslee, Secretary**

**APPROVED:**

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**DATE**