



To: Members of the Senate Committee on Finance

From: Michigan Association of School Boards  
 Michigan Association of Superintendents & Administrators  
 Michigan Association of Intermediate School Administrators  
 Michigan Association of Secondary School Principals  
 Middle Cities Education Association  
 AFT Michigan  
 Michigan Education Association  
 Michigan Community College Association



RE: **Support for Senate Bill 39**

Date: Sept. 23, 2020

As public education organizations, we are writing today to ask you to support Senate Bill 39, which addresses the issue of property valuation of big box stores. The bill would require the Michigan Tax Tribunal to use universally accepted appraisal standards when deciding property tax appeal cases for large properties.

These standards will provide consistency in determining the highest and best use as part of the property valuation process and start to put an end to big box stores being valued as if they were “dark.” This would end an appraisal practice that substantially weakened the value of certain big box stores, which left a devastating impact on community and school budgets across the state. The legislation would also not allow the consideration of comparable sales that have deed restrictions if they are imposed for competitive business reasons.

As a result of the precedent set by the recent Tax Tribunal hearings, many local units of government are being forced to lower their assessments on big box stores without a fight as they lack the necessary funds to battle major corporations in the courtroom. When a store wins its property tax appeal, the local units, including schools, have to refund the tax dollars to the retailer. For example, when Meijer won its case against Meridian Township, Okemos Public Schools had to pay Meijer more than \$130,000. That money comes from the operating budget of the district, pulling dollars out of the classroom.

These property tax appeals harm the entire community when operating dollars are forced to be repaid to major retailers. Without legislative action, Michigan is left with an unbalanced tax system that could unfairly burden small businesses and homeowners.

Our organizations, representing school board members, superintendents, public school districts, intermediate school districts and community colleges across Michigan, support efforts to tighten up the law. We stand ready to work with you on this important issue and urge your support of Senate Bill 39.

