



Sept. 23, 2020

Sen. Jim Runestad, Chair  
Sen. Aric Nesbitt, Maj. Vice Chair  
Sen. Kevin Daley  
Sen. Jon Bumstead  
Sen. Curtis VanderWall  
Sen. Stephanie Chang, Min. Vice Chair  
Sen. Betty Jean Alexander

Members of the Senate Finance Committee,

On behalf of 1,240 townships across the state, the Michigan Townships Association supports Senate Bill 39. The bill addresses the issue of property valuation for big box stores by eliminating the use of private deed restrictions.

Currently, these self-imposed deed restrictions or covenants are being used to reduce assessments and encourage businesses to remain shuttered. This creates an unbalanced tax system that continues to unfairly burden small businesses and homeowners.

To share one example of a self-imposed deed restriction provided by a member, a big box store limited the sale of their vacant building to only a go-cart facility or a charter school—no other potential sale could be considered—leaving the building shuttered.

The valuation of big box stores should be determined using the same assessing methodology as other commercial properties and private deed restrictions or covenants imposed to reduce the value of the property should be prohibited. Valuation should be based on sound assessing principles.

Senate Bill 39 would prevent the consideration of any artificially imposed deed restrictions in determining taxable value and would provide tax fairness, ensuring all properties are properly assessed.

We appreciate the committee's consideration of Senate Bill 39 and urge your support of the bill.

Thank you.

Judith M. Allen  
Director of Government Relations  
Michigan Townships Association