

COA Opinion: Tax Tribunal has authority to make independent assessment of witness credibility and may adopt existing valuation of property on tax assessment rolls without abdicating its duty to independently determine a property's true cash value

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In *President Inn Properties LLC v City of Grand Rapids*, the Court of Appeals held that the Tax Tribunal was permitted to (1) revisit the credibility of the petitioner's appraiser and the weight assigned to his appraisals; (2) select a valuation theory other than the income-capitalization method for income producing property; and (3) adopt the existing valuations of property on the assessment rolls so long as there was competent and substantial evidence in the record supporting the tribunal's determination.

The petitioner, President Inn Properties LLC, challenged the value listed on the respondent's, City of Grand Rapids, tax assessment rolls for two parcels of property on which the petitioner operates a hotel. The petitioner claimed that the value of the property was less than the amount listed. At a hearing in front of an administrative law judge (ALJ), the petitioner presented expert testimony to support its claim. The respondent presented its own expert testimony that the value of the property was greater than the amount listed on the assessment rolls. The ALJ found the petitioner's expert more credible and adopted the petitioner's valuation of the property. The respondent filed objections and the Tax Tribunal reviewed the ALJ's opinion and order. The Tax Tribunal ruled that the ALJ gave improper credit to the petitioner's expert, whose appraisals should have been accorded little or no weight. The tribunal found that the respondent's expert should be discounted as well, and it adopted the existing valuations of the property on the tax assessment rolls.

The Court of Appeals affirmed the Tax Tribunal's final opinion and judgment, but remanded for correction of clerical errors regarding a parcel number and taxable value. With respect to the tribunal's assessment of the credibility of the expert witnesses, the court held that, as part of fulfilling its statutory responsibility to reconsider decisions by the ALJ, the tribunal may make its own determination regarding the credibility of witnesses and the weight assigned to evidence.

With respect to the tribunal's adoption of the existing assessed values, the court held that the tribunal was not necessarily required to adopt the income capitalization method, despite the fact that the properties were income producing. The Legislature has not specified methods of valuation that assessors must employ. The valuation method is only wrong if it does not lead to the most accurate valuation under the circumstances, and the tribunal may use various approaches with the ultimate goal of determining the market value of the property.

Furthermore, the Tax Tribunal did not abdicate its responsibility to independently determine the properties' true cash value when it adopted the existing value on the assessment rolls. The tribunal's determination was supported by competent and substantial evidence because the expert testimony placed the properties taxable value above and below the properties' assessed valuations on the tax rolls.

Finally, the court held that the tribunal did not commit an error of law by not reiterating a separate and concise statement of facts or conclusions of law in its opinion and judgment as required by MCL 205.751(1) and MCL 24.285. The purpose of those provisions is to aid appellate review, and in this case it did not hinder the petitioner in bringing its allegations. Therefore, any error in form did not prejudice the petitioner.