

COA Opinion: Property's taxable value cannot be "uncapped" in a year not immediately following the transfer of property

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Under Michigan law, a transfer of ownership of real property allows the taxable value of the property to be set at the state equalized valuation (SEV), which is known as "uncapping." Otherwise, the relevant statute provides that the taxable value of property cannot increase more than five percent a year. Here, the petitioner's several parcels of property were transferred in 2004. The petitioner timely filed property transfer affidavits, which notify the assessor of the transfer, but the township failed to uncap the taxable values for the 2005 tax year. But in 2006, the township attempted to uncap the property and petitioner appealed to the Michigan Tax Tribunal (MTT). The parties agreed to consent judgments, stipulating that the 2005 taxable values of the property would return to pre-transfer rates and that the 2006 taxable values would not be adjusted. However, in 2007, the taxable value of the parcels were uncapped for tax year 2007, based on the 2004 transfer. In a *per curiam* opinion in the consolidated cases of *Michigan Properties, LLC v Meridian Twp*, Nos. 289174, 289175, & 289176, the Court of Appeals held that because the property was not transferred in 2006, the taxable value of the property could not be uncapped for 2007. However, the Court of Appeals noted that its holding was limited to the specific facts of this case, and also that because the parties entered into the consent agreements, the Court of Appeals could offer no opinion on whether the taxable value of the property could be retroactively uncapped for the year immediately following the transfer.