

**Testimony of Building Owners & Manager Association of Metropolitan Detroit**

Founded in 1908, Building Owners & Managers (BOMA) of Metropolitan Detroit is a professional trade association whose nearly 400 members either own or manage commercial real estate, or provide goods and services to the industry.

It is important to understand BOMA has a vested interest in the efficiency and expediency of the Michigan Tax Tribunal. The most important cases to BOMA members are those filed before the entire Tribunal and involve a tremendous amount of revenue to both taxpayers and governmental units. Against the backdrop of the nation's highest unemployment rate, plummeting home values and stagnant per-capita income growth, a 5+ year wait for a decision in the Tax Tribunal has hamstrung many property owners from re-investment in jobs and development by tying up millions of dollars in disputed property taxes.

BOMA understands there are important issues facing the Tribunal, not unlike those in business, and individuals, however, we believe the proposed fee increases do not address our concerns and will serve only to increase the litigation cost.

The majority of the cases before the Tribunal involve the small claim division where homeowners protest their property taxes and pay no filing fees. The Tribunal has hired seventeen (17) new referees to handle these small claim appeals where the Petitioner pays no filing fees. This in effect will expedite those small claims, a necessary measure to be sure, but the cost will be funded by taxpayers who have the disputes for larger amounts whose fees, in some matters, will increase five (5) fold.

In many cases, in all other courts of original jurisdiction, the filing fee is rarely more than \$150.00; the Tribunal proposed restructured fee for a single property starts at \$250.00 and increases up to \$600.00. Furthermore, the maximum fee for contiguous parcels has now been increased from \$500.00 to \$2,000.00. In these times of extreme hardship in the real estate industry this is essentially a penalty on residential and commercial developers.

Furthermore, there is no effective system for encouraging case management by the Tribunal. This stands in stark contrast to Michigan Courts. Michigan Judges, who are under the control of the Supreme Court Administrators Office, are required to provide monthly status reports regarding their cases.

Petitioners at the entire Tribunal will find little relief from the fee increases and more confounding, no assurance of a timely disposition of their case. A higher fee should certainly be tied to a proscribed timeframe for disposition and should provide formula based interim relief for those cases not heard within that set time frame. These actions are holding up reinvest dollars at a time when investment in Michigan should not be further hampered.

In light of the economy in Michigan, the dramatic fee increase, on primarily business and industry is poor economic policy and a penalty on the people of Michigan.

We encourage you to visit www.bomadet.org for more information on BOMA, its members or issue positions or contact:

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BOMA represents over 400 member companies and over 250 million square feet of office space in southeast Michigan. BOMA members represent every aspect of our industry from building owners, building managers, real estate brokers, and various suppliers including landscapers, roofers, janitorial services, utilities, construction firms and architects. We are primarily comprised of business owners who have made the choice to invest in Michigan and create jobs.