

KEY DEFINITIONS FROM COURT CASES

SPECIAL ASSESSMENTS

- A special assessment is not a tax. Rather, a special assessment “is a specific levy designed to recover the cost of improvements that confer local and peculiar benefits upon property within a defined area.” *Kadzban v City of Grandville*, 442 Mich 495, 502; 502 N.W.2d 299 (1993)
- Special assessments are “sustained upon the theory that the value of the property in the special assessment district is enhanced by the improvement for which the assessment is made.” *Knott v City of Flint*, 363 Mich 483, 499; 109 Nw2d 908 (1961)
- Municipal decisions regarding special assessments are generally presumed to be valid. In *Re Petition of Macomb Co. Drain Commissioner*, 369 Mich 641, 649; 120 NW2d 789 (1968)
- The party challenging the special assessment has the burden of establishing the True Cash Value (TCV) of the property being assessed. M.C.L. 205.737

GENERAL INTERPRETATIONS OF PROPERTY TAX LAW

- In general, tax laws are construed against the government. *Great Lakes Sales, Inc. v State Tax Commission*, 194 Mich App 271, 276; 486 NW2d 367 (1992)
- Tax exemption statutes are strictly construed in favor of government. *Elias Brothers Restaurants, Inc. v Treasury Department*, 452 Mich 144, 150; 549 NW2d 837 (1996)
- The SBT is a tax on the privilege of doing business in Michigan MCL 208.31(3); *Consumers Power Company v Department of Treasury*, 235 Mich App 380, 381; 579 NW2d 274 (1999)
- An income tax taxes that which a business has derived from the economy. *Consumers Power Company*, supra at 381

AD VALOREM PROPERTY TAX

- A property tax is a “burden imposed generally upon property owners for government purposes without regard to any special benefit which will inure to the taxpayer. *Kadzban v City of Grandville*, 442 Mich 495, 500; 502 NW2d 299
- “The difference between a special assessment and a tax are that (1) a special assessment can be levied only on land; (2) a special assessment cannot ... be made a personal liability of the person assessed; (3) a special assessment is based wholly on benefits; and (4) a special assessment is exceptional both as to time and locality.” *Blake v Metropolitan Chain Stores*, 247 Mich 73, 77; 225 NW 587 (1929), quoting 1 *Cooley on Taxation* (4th ed), §31.