

Assessment Administration

Appealing your Assessment

Steps to Take

What every property owner should know



Learning about the Assessment process

- Understanding the assessment process will ensure your property assessment is fair and equitable
- There are many resources available providing information about the General Property Tax Act and how it sets standards for property assessing and taxation
- Michigan Assessment information:
<https://www.michigan.gov/taxes/property>
- State Tax Commission Bulletins:
<https://www.michigan.gov/statetaxcommision>

General Property Tax Act Public Act 206 of 1893

- Statute regulating the standards and procedures for the administration of property tax system in Michigan
- Proposal A was voted into law on March 15, 1994
 - inflation rate used to adjust taxable value is limited to 5%
 - taxable value uncaps after a transfer of ownership
 - losses are subtracted before the inflation rate
 - additions are added after the inflation rate
- Previous year taxable value - losses x inflation rate multiplier + additions = capped

Professional Standards and the Michigan Assessor

- Assessors are required to adhere to the Uniform Standards of Professional Appraisal Practice and the State Tax Commission Rules
- Ensure that the mass appraisal methods and procedures employed comply with standards.

“The process of valuing a group of properties as a given date using common **data**, standardized methods, and statistical testing”

While a fee appraiser is concerned with valuing one property at a time, an assessor is valuing whole neighborhoods.



Union Township's Assessor

Union Township is required by the State Tax Commission to employ an Assessor certified as an advanced Level 3 Assessor.

- The Assessor's objectives are fairness, uniformity and equity
- Discover and value all assessable property within the Township
- State suggest 20% of properties inspected annually. All properties viewed in a 5 - year time frame
- Capture data on land and building characteristics and neighborhood influences

Assessing Administration Process- 3 tiers

- Equalization Departments analyzes market sales
- Assessor must value property between 49% to 50% of market value.
- State Tax Commission equalizes values across the State
- Assessors use mass appraisal to value property
- Assessors are required to use the Michigan Assessor's manual
- Assessment record cards show how your property assessment is calculated
- Property details = accurate assessments
- Information includes visits to your property, aerial maps and photographs

Market Data –Neighborhood Sales

- Property Values – 04/01/2021 to 03/31/2023 24-month sale period used to measure market value
- Assessor develop land values and neighborhood factors from sales
- Michigan Assessors Manual – Cost schedule used to price out buildings
- Modified cost approach used to cost out buildings

Common terms and what they mean

- True cash value of your property is the market value of your property
- Assessments are set at 49-50 % of market value
- SEV= State Equalized value
- Taxable Value – The value used to calculate your tax bills

Assessments are set at 49-50 % of market value



How to read your assessment notice

Every year, you will receive a form like this, indicating changes in the assessed value and the taxable value of your property. The numbers give you an idea of how much this property could sell for and how much of that value you will pay taxes on.

IF THIS IS NOT A TAX BILL, WHAT IS IT?

Your assessment notice is just that — a notice. It indicates what the local assessor determines your property is worth and how much of that value is taxable. It does not indicate what your taxes will be for this year.

WHY YOUR ASSESSMENT CHANGED

The assessor recalculates the value of your property every year, and these lines give a general explanation of why assessments change. Even if you have not made any changes to your property in the past year, your assessment will likely still change to reflect the current real estate market. Your assessment can also fluctuate based on changes you make to your property.

WHAT YOUR HOUSE IS WORTH AND HOW MUCH OF IT YOU WILL PAY TAXES ON

The most important figure on this notice is the taxable value of your property for this year. Your taxes should be based on the amount in that box unless you appeal it. If you have owned your home for more than a year, it should be less than the assessed value, which is half of what the state calculates your property is worth in a specified year. Taxable and assessed value will be the same the year after you buy a property, but the gap between them will usually grow the longer you own the property.

ARE YOU SAVING AS MUCH AS YOU CAN?

If this property is your primary residence, it should qualify for an exemption that would save you a significant amount on your taxes. If the exemption has been filed for property, your bill will say your home is 100-percent exempt as a "principal residence." If you think you are eligible for the exemption but the notice does not say you are exempt, contact your local assessor's office. If the property is farmland, it can qualify for reduced taxes under another exemption.

Source: Research by NATE TRELA/Detroit Free Press

NOTICE OF ASSESSMENT ENCLOSED

NOTICE OF ASSESSMENT, TAXABLE VALUATION (INCLUDING LEASEHOLD IMPROVEMENTS) AND PROPERTY CLASSIFICATION

THIS IS NOT A TAX BILL

PROPERTY OWNER, LESSEE OR PERSON NAMED ON ASSESSMENT ROLL

PROPERTY ADDRESS ONLY

THIS PROPERTY IS CLASSIFIED AS: 011
PRIOR YEARS' CLASSIFICATION IF DIFFERENT:

Exemption A, passed by voters on March 10, 1991, states that for the value used to compute property taxes, the value of a two-year property shall be the lesser of the taxable value from the prior year or the value calculated by the assessor. If the taxable value is less than the value calculated by the assessor, the taxable value shall be the value calculated by the assessor.

For 1996, you must have a copy of the State Equalized Value (SEV) and the Assessed Value (AV) of the property. If the SEV is less than the AV, the taxable value shall be the SEV. If the SEV is greater than the AV, the taxable value shall be the AV.

IF THERE WAS A TRANSFER OF OWNERSHIP of your property in 2004, your 2005 Taxable Value will be the same as your 2004 State Equalized Value. Please see the 2005 Equalized Value of your property in the 2005 State Equalized Value Report.

IF THERE WAS NOT A TRANSFER OF OWNERSHIP of your property in 2004, your 2005 Taxable Value is calculated by adding to your 2004 Taxable Value the increase in the State Equalized Value for the current year. If the increase is greater than 5%, the taxable value shall be the SEV. If the increase is less than 5%, the taxable value shall be the AV.

	2004	2005	Change
1. TAXABLE VALUE (unless you are a transferor)	67,000	116,800	49,800
2. ASSESSED VALUE	116,000	116,800	800
3. EXEMPTION FACTOR: 1.00000			
4. STATE EQUALIZED VALUE (unless you are a transferor)	116,000	116,800	800
5. SEV: <u>Yes</u> 6. TRANSFER OF OWNERSHIP: <u>NO</u> FOR THIS PROPERTY IN 2004			

Review: An assessment may be appealed to the Board of Review by letter. Letter appeals are to be submitted by the owner of the property to the Board of Review by March 22, 2005. The Board of Review will meet on March 22, 2005 to consider appeals on assessments at the following address: City of Grosse Pointe Park, 15115 East Jefferson Avenue, Grosse Pointe Park, MI 48230. March 22 from 9:00 AM to 3:00 PM and March 23 from 9:00 AM to 3:00 PM - BY APPOINTMENT ONLY - 822-4391. Questions and appeals should be submitted by March 25, 2005.

Exemption A: "Homesteaders' Principal Residence" 100% EXEMPT
Exemption B: "Qualified Agricultural Property"

The right of an exemption from the local school operating tax for "Qualified Agricultural Property" may be applied to the local Board of Review. The right of an exemption from the local school operating tax for the "Qualified Principal Residence" may be applied to the Michigan Tax Tribunal. The Board of Review will meet on March 22, 2005 to consider appeals on assessments at the following address: City of Grosse Pointe Park, 15115 East Jefferson Avenue, Grosse Pointe Park, MI 48230. March 22 from 9:00 AM to 3:00 PM and March 23 from 9:00 AM to 3:00 PM - BY APPOINTMENT ONLY - 822-4391. Questions and appeals should be submitted by March 25, 2005.

Leasehold improvement information: This notice form is for the personal property of a tenant who has installed leasehold improvements on the following year's 2005 Taxable Value (TV) and the 2005 State Equalized Value (SEV) of the leasehold improvement portion of the local assessor's 2004 TV.

2004 TV: 0 2005 SEV: 0

Homesteaders' Principal Residence: Homesteaders' Principal Residence: Required by P.A. 247 of 2000. If you purchased your principal residence after May 1, 2000, to claim the principal residence exemption, you must file a declaration with your local assessor's office before May 1, 2005.

JOHN W. FLEMING/Detroit Free Press

Important things to look for when you receive your Assessment Change Notice

- Is my name and address correct
- 2024 Assessed and Taxable values
- Amount of increase or decrease
- Assessments are 50% of market value.
- Inflation rate multiplier applied to the previous taxable value
- Did my taxable value increase more than the inflation rate
- Did my taxable value uncapped
- How much will my annual tax bill increase
- Property classification
- Principal residence exemption
- Qualified Agricultural exemption
- Dates and Times of the Board of Review.

Now is the time to request a copy of your assessment record card

Next step

- Carefully check all the information
 - Request a copy of your assessment record card
 - Check land size and land value
 - Are the square footages correct? Let the Assessor know if you find mistakes
 - Did your taxable value increase more than the inflation rate multiplier
 - Were there physical changes made
 - Something you don't have you are being assessed for
 - Is living area correct
 - Recent sales – did it include non-taxable personal property in the price

Appeal Process - Basics

- What would I sell my property for?
- Are you aware of current market values
- Property Owner must be able to support what they feel their property is worth.
- It's a Team effort
- Request an informal review with the Assessor

Board of Review

- March 6 organizational meeting~ The Assessor presents the assessment roll to Board of Review.
- March 11 (Monday) 3:00 – 9:00 March 12 (Tuesday) 9:00 am to 4:00pm
- Board of Review – Responsible for Oversight of Assessments and Hears Appeals
- Michigan Tax Tribunal – An independent court hears appeals on Board of Review Decisions
- State Tax Commission responsible for Property Class Appeals.

Make an Appointment

- You have a right to appeal before the Board of Review
- You can appeal by mail, but best to appear before the Board of Review
- Board of Review conducts appeals by appointments
- Call 772-4600 Ext. 230 Jill Peters to schedule appointment for Union Township Board of Review Appeals
- Appeals may also be e-mailed to: jpeters@uniontownshipmi.com
- You can appeal your property class, valuation, exemption status, and uncapping of taxable value.

Preparing for your appeal

- Know what your property is worth
- Documents and pictures help to make your case
- Letter format is simplest (include address and phone)
- L-4035 Board of Review petition is required
- You can hire a valuation specialist or assign an agent to handle your appeal
- You can do go online and find recent sales similar to your property
- You must show that your evidence proves the assessment is incorrect or has some discrepancies . Is your property in need of renovation?
- Finding comparable properties:

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Your online source for municipal data
by BS&A Software

Board Decision Can Be Appealed

- Michigan Tax Tribunal is a court
- Must file appeal before June 30.
- Forms available on the Internet

<https://www.michigan.gov/taxtrib/>

- **Overview of the Appeals Process**
- **1. Starting the Appeal – Petitioner files a Petition**

- An appeal is started by e-filing a petition form or by the printing and mailing of a completed petition form.
- The Tribunal's e-filing system is the most efficient way to initiate an appeal. Through the Tribunal's e-filing system, users can file a petition to initiate an appeal, respond to an appeal, file Stipulations for Entry of Consent Judgment, motions, and other documents, and pay required filing fees. To participate in the Tribunal's e-filing system, users or their attorneys or authorized representatives are required to [register](#) and create an account using a valid email address.

Deadlines

- ❑ AFTER March Board of Review and on or before June 30 of the tax year involved
- ❑ 30 days AFTER a notice of assessment change is issued, if the notice was not properly sent prior
- ❑ to the March Board of Review for the tax year at issue.
- ❑ 30 days AFTER a State Tax Commission order is issued.
- ❑ 30 days AFTER notice of a July or December Board of Review decision revising a property's assessed and/or taxable value is issued.
- ❑ 35 days AFTER notice of an uncapping of taxable value is received.
- ❑ Section 211.53a appeals...MTT Jurisdiction is determined on a case-by-case basis.
- ❑ Special Assessment Appeals...Varies by statute: 10 to 30 days AFTER hearing to confirm the special assessment roll.
- ❑ Contested Tax Bills...must be filed within 60 days AFTER mailing of the contested tax bill
- ❑ Principal Residence Appeals...must be filed within 35 days AFTER the date a local jurisdiction denial is issued OR 35 days AFTER final notice of determination is issued by the Department of Treasury
- ❑ An appeal for a Qualified Agricultural Exemption...must be filed within 30 days AFTER notice of July or December Board of Review decision denying the exemption is issued
- ❑ More information is available at [the Michigan Consumer & Industry Services Web Site](#) under "Hearings, Appeals and Mediation"

The information provided does not, and is not intended to, constitute legal advice; instead, all information, content, and materials available are for general informational purposes only. Information may not constitute the most up-to-date legal or other information.