

HOW TO EFFECTIVELY **APPEAL** YOUR

PROPERTY TAX ASSESSMENT



STATE SENATOR

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TERMS TO KNOW:

TRUE CASH VALUE (TCV) The actual value of your home, as determined by the local assessor

STATE EQUALIZED VALUE (SEV) One-half of the true cash value of your home

TAXABLE VALUE (TV) The value used to calculate your property taxes

Dear Homeowner:

Do you think your property tax assessment is incorrect? If so, you may appeal the assessment.

First, a few reminders may be helpful. The term "taxable value" (TV) was introduced in 1995. It is the value used to calculate your property taxes. Annual growth in taxable value is capped at the rate of inflation, or 5 percent, whichever is less.

The State Equalized Value (SEV) must still reflect 50 percent of the property's true cash value and may increase (or decrease) by more than the rate of inflation or 5 percent in any tax year.

It is important to remember that your property taxes are no longer based on the SEV. Changes to your home's assessed value will reduce your taxes only if it is an amount lower than the taxable value.

If you believe your assessment is in error, you may appeal to your local Board of Review and, if necessary, the Michigan Tax Tribunal. No attorney is necessary. This guide, along with your willingness to explore all the possibilities, may help you obtain a favorable adjustment.

Sincerely,

HOW TO EFFECTIVELY APPEAL YOUR PROPERTY TAX ASSESSMENT

If you believe your assessment is in error, you may appeal to your local Board of Review and, if necessary, the Michigan Tax Tribunal.

STEP 1

You may appeal your taxable value and SEV to the March Board of Review in 2015. Go to your local assessor's office and obtain a copy of your property record card. Ask the assessing department to explain the document.

Check the property record card for errors to make sure it accurately reflects your property. The assessor may make adjustments; if not, you may make your case with the Board of Review.

STEP 2

When you receive your notice of assessment, review it carefully. Locate the taxable value and SEV on the notice. If the tentative taxable value increased by more than 1.6 percent above your 2014 taxable value, and you did not improve your home with additions, then your taxable value may exceed the assessment cap. Ask your assessor why the taxable value increased by more than the rate of inflation.

Remember, annual growth in taxable value is capped at the rate of inflation or 5 percent, whichever is less, until the property transfers. SEV is not capped but must reflect 50 percent of your property's true cash value.

STEP 3

Locate the dates and times the March Board of Review is in session to hear appeals on the notice of assessment and whether you must make an appointment. If you believe your property is unfairly assessed relative to similar property and plan to appeal, you will need to provide market evidence.

To appeal based on financial hardship, contact the assessor's office for an application. Applicants must meet requirements for both income and asset levels adopted by the local unit of government.

STEP 4

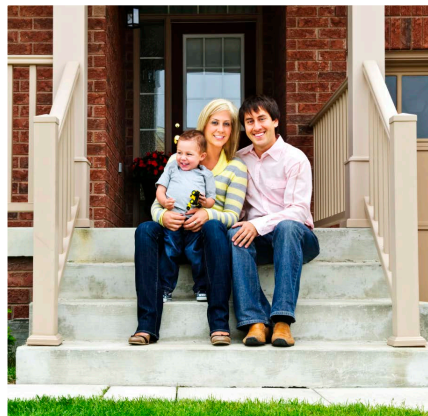
Inspect your home for problems beyond normal aging. Obtain written repair estimates and take photographs to document any structural damage. Obtain citizen complaints of any undesirable characteristics in your neighborhood, such as excessive noise or eyesores.

STEP 5

Sales of comparable property are one of the most important tools for a property tax assessment appeal. If comparable properties are selling for less than double your SEV, you may argue that your property is over-assessed.

Make your comparable study by reviewing sales of local homes. A local real estate agent may be a good resource. To establish commonality, check and compare the square footage, age, and type of house, as well as other features like number of bedrooms and bathrooms. Also check for differences in acreage, street traffic, lake access and presence of outbuildings to make sure your comparables are truly comparable.

Alternately, you may wish to have your home professionally appraised. A professional appraisal may be good evidence against an improper assessment, however the Board of Review is not required to accept the appraisal as proof of value.



STEP 6

A mistake some home buyers make is failing to inform the assessor of items such as appliances included in a home's sale price. Inform your assessor in writing about these items as they are exempt from assessment.

STEP 7

Check to see if you must complete Form L-4035 (Petition to Board of Review) or a local form to request an appeal. Put all of your information into letter form (see example). Keep in mind you or a representative must present to the Board of Review in person at one of the specified times, unless your community allows a letter appeal. Bring photographs and several copies of all documents. You may only have a few minutes for a presentation, so be concise, courteous and organized.

STEP 8

If you are not satisfied with the decision of your local Board of Review, you may continue your appeal to the Michigan Tax Tribunal. Find detailed information, including petition forms and requirements, eFiling and frequently asked questions, at www.michigan.gov/taxtribunal. Or contact the Tribunal at 517-373-4400.

**YOU MUST APPEAL TO THE
LOCAL BOARD OF REVIEW
BEFORE YOU CAN APPEAL TO
THE MICHIGAN TAX TRIBUNAL.**

SAMPLE APPEAL LETTER

Date
Name
Address
Telephone

To the Board of Review/Tax Tribunal:

I wish to appeal the assessed value of my property as I believe the assessed value of (insert address here) is in excess of 50 percent of its true cash value.

I wish to offer the following comparables:

*(List all comparable, recent sales and ask for an average reduction.
Note: Add all items you noted as discrepancies, comparable features, etc.
Make sure you have documentation.)*

In addition:

1. According to my property record card, I have noted the following discrepancies:

A. I do not have a fireplace as indicated. Estimated value \$ _____
B. According to my property record I have 1,500 square feet of living space. Actually I have 1,000 square feet.
Reduced value \$ _____
Amount to be deducted from true cash value \$ _____

2. I have noted the following structural defects on my property.

They reduce the value of the property by the following amounts:

A. Cracked foundation \$ _____
B. Cracked exterior wall \$ _____
This amount should be deducted from true cash value \$ _____

3. I live in an area that has mixed zoning, and next door there is a new junkyard that emits loud noises and noxious odors.

This affects the value of my property.

I feel my true cash value has been reduced by \$ _____

4. Total: Add #1, 2 and 3 above \$ _____

True Cash Value \$ _____
Minus Discrepancy/Grand Total \$ _____
New True Cash Value \$ _____
One Half = Assessed Value (SEV) \$ _____

NOTE: *This sample letter indicates many of the grounds for a reduced assessment. All of these may not be relevant to you, so be sure to include appropriate reductions in your appeal. Every reduction is important.*