

The Property Tax Assessment Appeal Process

Each year any property owner or representative of an owner may appeal the value of their property as determined by the Assessor. This process usually begins in early March after the new assessment notices have been mailed. If the owner is allowing someone to represent him or her in the appeal process, a letter authorizing that person must be submitted to the Board of Review prior to the appeal being heard.

The appeal process mainly involves the dispute over the Assessed Value of the property. Because the Assessed Value is 50% of the estimated market value, one can simply double the Assessed Value to find the estimated market value as determined by the Assessor. If a property owner decides to appeal, there are several things that need to be done prior to the hearing date.

1. Fill out the petition. It is important to completely fill out the petition. Make sure to enter the property owner's estimate of the market value of the property.
2. Call for an appointment.
3. Prepare information that supports the property owner's estimate of the market value. This could be an appraisal or a listing of recently sold properties that are similar. It is important to remember that the Board of Review is there to hear an appeal; it does not determine property values on its own. The Assessor has already done that. If good supporting documentation showing why the value should be lowered is not submitted, the chances of receiving a favorable decision are quite small. According to Michigan property tax law, the values on the assessment notice are considered correct unless proven by the property owner to be something different. The Board of Review has the discretion to make the decision based solely on the information submitted.
4. A person may also appeal the Taxable Value. This however is a bit more complicated as the Board may not have a choice in the matter depending on the circumstances. Taxable Value will increase by the CPI or 5% whichever is less each year. This is State law and only a few things can change it.

Example 1: If the Taxable Value is appealed and the assessor has correctly calculated this value as mandated by State law, the Board would have no choice but to deny the appeal.

Example 2: Both Assessed Value and Taxable Value are appealed. If the Assessed Value is \$50,000 and the Taxable Value is \$25,000 and the property owner successfully argues that the value of the property is only \$80,000, the corrected Assessed Value would be \$40,000. Since the Taxable Value is still lower than the Assessed Value, the change made by the Board of Review would not change the Taxable Value. As long as the Assessed Value is higher than the Taxable Value, the Taxable Value will still increase in accordance with State law.

Example 3: If the property was purchased in the previous year, the Assessed Value and the Taxable Value will be equal in the current year. If an appeal is successful and the Assessed Value is lowered by the Board of Review, the Taxable Value must also be lowered because it cannot be higher than the Assessed Value.

Example 4: If a property owner appeals based on the fact that a building has been removed and the assessor did not make the change, then both the Assessed Value and Taxable Value will change because of the value loss of the building having been removed.

5. During the hearing the property owner or representative will simply have the opportunity to state his or her case. The Board of Review members may ask some questions, but they will mainly listen to statements made and then later review the information that was submitted. Because of the limited amount of time available, the Board of Review will review the documentation when they have time and a decision will be made at that time. Decisions are not generally made on the spot. Discussion and deliberation will take place at some point. Their decision will be sent to the property owner by the Assessor in a few weeks after the appeal is heard.
6. The Board of Review and the Assessor have no authority to adjust the amount of property tax. The discussion of property tax at the Board of Review hearings is not productive because the Board's sole purpose is the hear appeals of the value of your property, not how much tax will be owed. There is no appeal process specifically for the amount of taxes that will be owed. An appeal may result in the lowering of taxes that will be paid but that would be because of the change in the taxable value.

If a property owner is not satisfied with the decision of the Board or Review, he or she may appeal to the Michigan Tax Tribunal. Owners of residential properties must appeal to the local Board of Review in order to continue the appeal process to the Tax Tribunal. Owners of commercial, industrial, utility and personal properties may appeal directly to the Tax Tribunal.

The Tax Tribunal will be looking for the same supporting documentation as the local Board of Review. Information for the Tax Tribunal process may be found on the web at <https://www.michigan.gov/taxtrib/> or by calling (517)-335-9760.

