



Garfield

Charter Township

SERVING THE CITIZENS OF NORTHERN MICHIGAN

How To Appeal Your Property Assessment

**A Guide to Appealing Your
Property Tax Assessment**

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Each year in February you will receive an assessment change notification. This notice informs you of the assessors determination of the value of your property for the upcoming tax year. It is your right to appeal this assessment to the Board of Review held annually in March, either in person or by letter.

YOUR RIGHT TO APPEAL

This pamphlet is designed to give the resident or business owner an insight to the mass appraisal process, requirements of the Michigan General Property Tax Act (P.A. 206 of 1893 as Amended), and effective strategies for appeal when you believe these requirements have not been met.

MCL 211.27a(1) states that “Except as otherwise provided in this section, property shall be assessed at 50% of its TRUE CASH VALUE under section 3 of article IX of the state constitution of 1963”. This is a constitutional requirement. If you believe that your property is not assessed at 50% of its true cash value, MCL 211.30 guarantees your right to appeal.

HOW ASSESSMENTS ARE CALCULATED

In order to effectively prepare for an appeal, it is important to understand how your assessment was calculated. For real property in Michigan, the “mass appraisal” process is used. This means a “record card” for each property in Garfield Township was prepared, inventorying all of the physical characteristics and improvements. These record cards are public information and are available for review during regular business hours at the Township assessing department. The Township assessor reviews each property and determines a depreciated cost of improvements and adds it to the land value to determine the True Cash Value of your property. 50% of this amount became your assessed value.

ABOUT YOUR RECORD CARD

The information on the record card was collected during site visits of your property and from information submitted to the building department when permits were issued. You will always know your property best;

and it is imperative when preparing for an appeal for you to review your record card for inaccurate or outdated information. Faulty assessments caused by incorrect physical data are an easy problem to fix once the correct information is presented. Go over your card with Assessing Department staff. They will be happy to help you understand the card and will work with you to correct any errors. When the issue becomes an opinion of value, additional information from you will be necessary.

INSPECT YOUR HOME

The assessor depreciates the value of a home based on its age, meaning normal issues common to older homes are not considered in the specifics of the assessment. However problems not associated with general aging should be specifically addressed in your appeal; for example, a cracked foundation or wall construction problems, etc. If depreciation on your home should be accelerated based on condition, photos and contractor estimates for the repairs are great evidence to include with your appeal.

NOTE CHANGES TO YOUR NEIGHBORHOOD

Location is an important feature in determining the value of your home. For example, if you live near a major road or next to a gravel pit, your home may be less desirable than the same home in a purely residential area. If the characteristics of your neighborhood have changed, request copies of resident complaints about excessive noise or eyesores and include this evidence in your appeal.

HOMES FOR SALE IN YOUR AREA

Are there recent sales or homes listed for sale like yours that would justify a different assessment? Assessments must be based on True Cash Value which is not always equal to selling price or price listed for sale. If current market conditions do not support the assessment, you should provide the sale information supporting this claim. Providing this documentation to the Board of Review does not guarantee a lower assessment, but it will help strengthen your case.

RECENT APPRAISALS

A recently completed independent appraisal of your property is great evidence. The level of detail that was considered in the appraisal exceeds what is possible in the mass appraisal process, and was tailored to your individual property. It is important to remember that appraisals are performed for different purposes with their own definitions of value.

For usually less than the cost of a traditional appraisal, a Real Estate Broker can prepare for you a “Comparative Market Analysis”. This is one of the tools that would be used when listing your home to develop a reasonable estimate of what you can expect to receive for your property. While not as detailed as a traditional appraisal; it is a cost-effective alternative which can give you valuable evidence towards your property’s market value.

APPEAL STRATEGY

While it is not required that you provide such evidence at the Board of Review in order to have your appeal heard, it is the strength of the evidence that will determine the correct assessed value for your property. Here are some tips to keep in mind as you prepare your appeal—remember that you can make your appeal in person or by letter:

- Put all your information in letter form. (see the example appeal letter on the back of this page)
- Bring a presentation copy for yourself and each member of the board of review.
- Read your presentation to the board.
- You may only have five minutes, so make your points, show photographs and above all, remain professional.

NOT SATISFIED?

If you are not satisfied with the decision of the Board of Review, you may further appeal their decision to the Michigan Tax Tribunal. The Board’s notice of their decision will contain information regarding this process. The importance of substantiated evidence of your claim becomes greater with each step of the appeal process.

KEY DEFINITIONS

Here are the meanings of some of the terms used in the assessment appeal process:

TRUE CASH VALUE—The actual value of your home, as determined by the Township Assessor.

STATE EQUALIZED VALUE (SEV) —The SEV value of your home is 50% of the actual value.

TAXABLE VALUE—The value on which your taxes are based. Taxable value and SEV are the same when you first purchase a house. After that, increases in your taxable value that are not due to home improvements are limited to the rate of inflation or 5%, whichever is less. Taxable value can never exceed SEV.

BOARD OF REVIEW—The Board of Review is a panel of Township residents who have been appointed to review, correct and approve the assessment roll.

TOWNSHIP ASSESSOR'S OFFICE—This is the department located in the Township Hall that establishes and adjusts assessments for every parcel of property within Garfield Township.

TOWNSHIP TREASURER'S OFFICE—This is the department located in the Township Hall that bills and collects tax monies twice a year, summer and winter. The Treasurer's office also bills and collects on special assessments such as water, sewer, roads, street lights and other specials as determined by the Township Board of Directors.

SAMPLE APPEAL LETTER

Date
Name, Address, Telephone

To the Board of Review:

I wish to appeal my property assessment for the following reasons:

1. According to my record card on file in the assessor's office at Garfield Township, I have noted the following discrepancies:

A) I do not have a fireplace as indicated.

Estimated value.....\$_____

B) I do not have a tile bath as indicated.

Estimated value.....\$_____

C) According to my record card, I have _____ square feet of living space. I actually have _____ square feet of living space.

This amount should be deducted from the True Cash Value of my property.....\$_____.

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 (see repair estimate enclosed).....\$_____

B) Cracked exterior wall (see repair estimate enclosed).....\$_____

This amount should be deducted from the True Cash Value of my property.....\$_____.

3. I live in an area that has mixed zoning and next door there is a new junkyard that emits loud noises and bad odors. This affects the value of my property. I feel my true cash value has been reduced by...\$_____.

Grand Total (add 1, 2 and 3 above).....\$_____.

4. I wish to make the following comparisons:

231 Main Street, SEV value = \$_____

(List all comparables and ask for an average reduction. Also add all items you noted as discrepancies.)

(Note: this example shows ideas of grounds for reduced assessment. While all may not be relevant to you, every reduction is important. You may also have other reductions not shown in this sample letter.)