



# HOW TO EFFECTIVELY APPEAL YOUR PROPERTY ASSESSMENT

WINTER 2009

## KEY DEFINITIONS

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

**STATE EQUALIZED VALUE (SEV)**  
*50 percent of the actual value of your home.*

**TAXABLE VALUE** *The capped value of your home. By law, increases in your taxable value that are not due to improvements are limited to whichever is lower: the rate of inflation or 5 percent. Taxable value cannot exceed SEV.*

**BOARD OF REVIEW** *A panel of local citizens appointed to review, correct and approve the assessment roll.*

**ASSESSOR'S OFFICE** *The department within the local unit of government that establishes and adjusts assessments for every parcel of property in your community.*

## STRATEGY

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 your local board of review, you may continue your appeal.

*In order to appeal the decision, you must send a letter or formal petition to the Michigan Tax Tribunal, P.O. Box 30232, Lansing, MI 48909, on or before July 31. Petition forms are available on the tax tribunal's website ([www.michigan.gov/toxtrib](http://www.michigan.gov/toxtrib)). If you send a letter, the tribunal will mail you the necessary forms to fill out. You should contact the tribunal at 517.373.3003 for additional information regarding letter and petition requirements.*

You must appeal to your local board of review before you can contest your case to the Michigan Tax Tribunal.

### STEP 1

#### OBTAIN A COPY OF YOUR PROPERTY TAX WORKSHEET OR APPRAISAL CARD.

This is available from the local assessor's office. The worksheet lists information such as size of house, style, number of baths, etc. Ask the assessing department to fully explain how to read the document.

You may also obtain worksheets for similar properties which recently sold in the area to help determine the value of your property.

### STEP 2

#### CAREFULLY CHECK THE WORKSHEET FOR ERRORS.

If you notice any errors, the assessor may agree to change some of the information or figures at that time. If not, you will have to make your case with the board of review.

Your worksheet may include a "percent good" calculation which shows how much your home has depreciated. For example, a 10-year-old house may be listed as 90 percent good. Percent good is another factor to use when comparing your home to other homes (see Step 4).

### STEP 3

#### MAKE SURE YOUR TAXABLE VALUE HAS NOT INCREASED BY MORE THAN 4.4 PERCENT.

If you did not make any improvements to your home in 2008, your home's taxable value may not increase by more than 4.4 percent. Taxable value should not be confused with state equalized value, which always equals 50 percent of your property's true cash value.

### STEP 4

#### INSPECT THE INSIDE OF YOUR HOME.

As noted in Step 2, the "percent good" is the way an 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, such as a cracked foundation or wall construction problems, should be specifically addressed in your appeal.

Written repair estimates and photographs of structural damage are good evidence of defects which could affect property value.

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**STEP 5** NOTE CHANGES TO YOUR NEIGHBORHOOD.

Realtors say location is the single most important feature in determining the value of your home. If you live near a major road or in a mixed-use zoning area, for example, your home may be less desirable than the same home in a purely residential neighborhood.

If the characteristics of your neighborhood have changed, obtain copies of citizen complaints about excessive noise or eyesores and show this evidence to the board.

**STEP 6** IF YOU RECENTLY PURCHASED OR REFINANCED YOUR HOME, DETERMINE WHETHER YOUR PURCHASE PRICE OR YOUR APPRAISAL IS LOWER THAN YOUR ASSESSMENT.

Providing this documentation to the board of review does not guarantee a lower assessment, but it will help strengthen your case.

**STEP 7** INFORM YOUR ASSESSOR ABOUT PERSONAL PROPERTY INCLUDED IN THE SALE PRICE OF YOUR HOME.

One of the most common mistakes home buyers can make is to fail to inform the assessor of personal property and other valuable items included in the sale. Personal property items often included in a home's sale price, such as furniture, curtains, a washer or dryer, etc., are exempt from assessment.

If you did not inform your assessor in writing about these items, your assessment may erroneously include this value.

**STEP 8** COMPARE YOUR PROPERTY TO SIMILAR HOMES IN THE AREA, ESPECIALLY THOSE THAT RECENTLY SOLD.

Comparable property assessments are one of the most important tools when appealing your property tax assessment. If comparable properties are assessed lower than yours, your home may be over-assessed. Check the assessed value, type of house and zoning.

Compare the true cash value per square foot. Keep in mind that comparisons should only be made between similar types of homes (compare two stories with two stories, ranch houses with other ranch houses).

**STEP 9** PUT ALL YOUR INFORMATION INTO LETTER FORM.

See sample appeal letter to the right.



Date  
Name, Address, Telephone

**To the Board of Review/Tax Tribunal**

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

1. According to my Worksheet/Property Record, I have noted the following discrepancies:
  - A. I do not have a fireplace as indicated.  
Estimated value..... \$1,800
  - B. I do not have a tile bath as indicated.  
Estimated value..... \$1,200
  - C. According to my worksheet, I have 1,500 square feet of living space. I have 1,000 square feet.  
Reduced value ..... \$6,920

This amount should be deducted from true cash value..... \$9,920

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 ..... \$3,800
  - B. Cracked exterior wall..... \$2,200

This amount should be deducted from true cash value..... \$6,000

3. I live in an area that has mixed zoning and next door there is a new junkyard which emits loud noises and noxious odors. This affects the value of my property. I feel my true cash value has been reduced by..... \$3,000
- 3a. Grand Total, add 1, 2, and 3 above.. \$18,920

4. I wish to make the following comparisons: 231 Main Street, assessed value \_\_\_\_\_  
(List all comparables and ask for an average reduction. Also add all items you noted as discrepancies)  
**Example:**  
True Cash Value ..... \$60,000  
Minus Discrepancy/Grand Total..... \$18,920  
New True Cash Value ..... \$41,080  
One Half = Assessed Value (SEV) ... \$20,540

**NOTE:** This sample letter indicates many of the grounds for a reduced assessment. It is very unlikely that an assessment could be reduced by nearly one-third, as illustrated here, but every reduction is important.