

**Fahey Schultz
Burzych Rhodes**

EXPERT COUNSEL  REAL SOLUTIONS

Defending Property Tax Appeals

ATTORNEYS ROSS BOWER AND BRITTANY NICHOL

MAY 20, 2021



Image: https://www.mlive.com/lansing-news/2012/03/ottawa_state_office_building_e.htm

The Michigan Tax Tribunal

Overview of the MTT

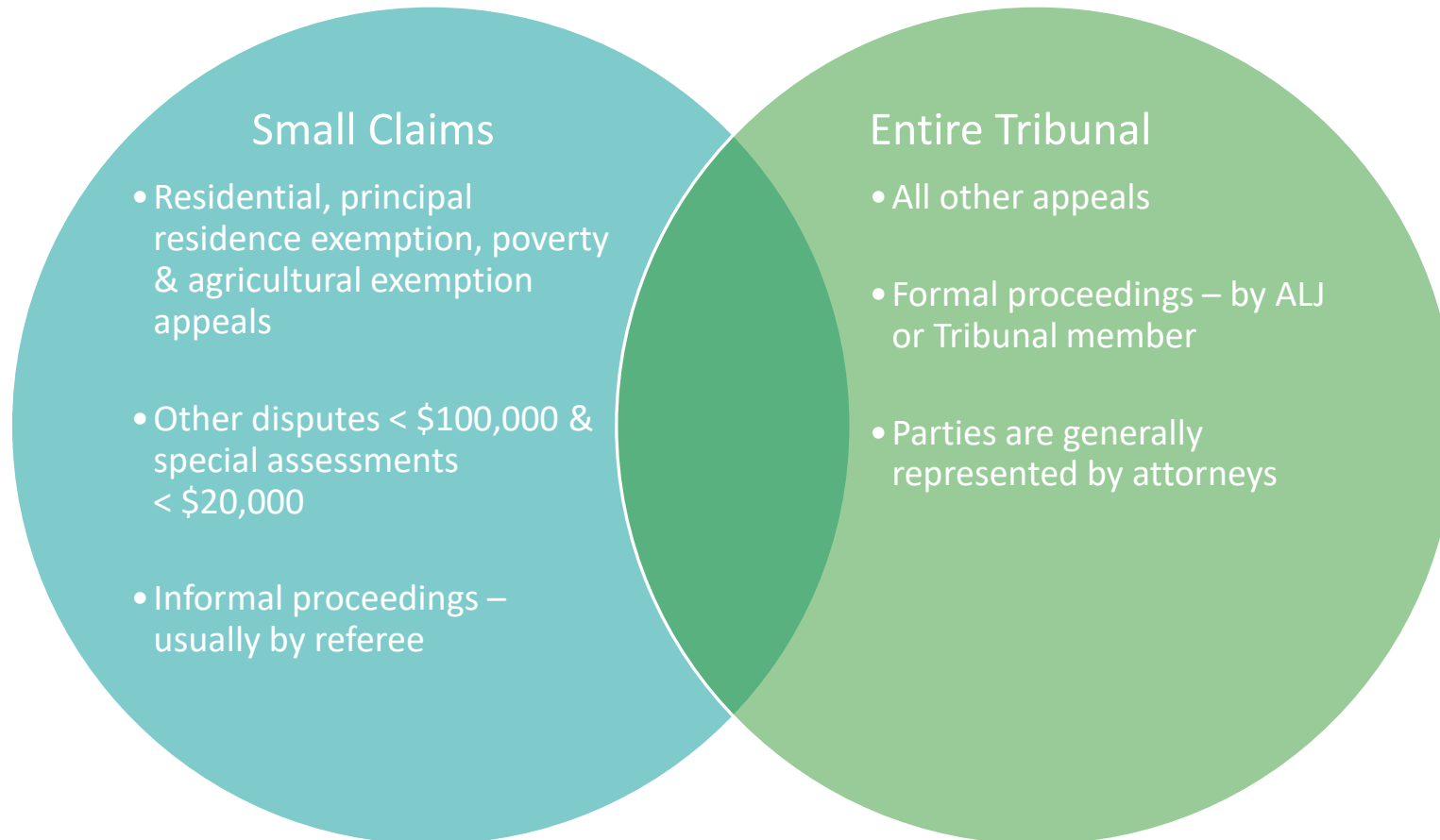


What is the MTT? An administrative court with sole jurisdiction over property tax appeals

Split into 2 divisions: small claims & entire tribunal



Small Claims vs. Entire Tribunal



Hearings

Small Claims Hearings

- County /Adjacent County
- Remote Telephonic Hearings

Entire Tribunal Hearings

- Held in Lansing

COVID Impact: Administrative Hearings are scheduled remote through July 12, 2021, subject to further extension

- Currently calendared through October 2021

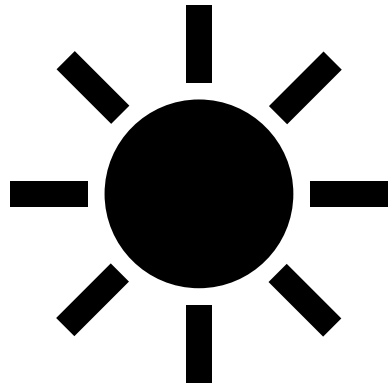




Image: <https://www.realtor.com/advice/finance/reasons-why-property-tax-bills-increase/>

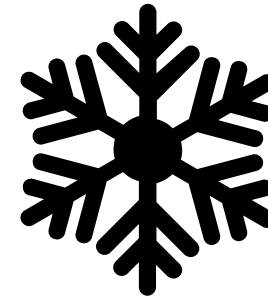
Property Taxes

Assessments



Summer Taxes

Bills sent in early July
Payment due in September



Winter Taxes

Bills sent in early December
Payment due in February



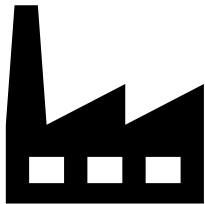
Property Classifications



Commercial



Residential



Industrial

The General Property Tax Act designates 6 real properties classifications, including: Agricultural, Commercial, Developmental, Industrial, Residential, and Timber-Cutover. MCL 211.34c(2).*

***There are different implications for each classification.*



Notice of Assessment

2019 Notice of Assessment, Taxable Valuation, & Property Classification

Michigan Department of Treasury, STC 1019 (Rev. 10-18)

This form is issued under the authority of P.A. 206 of 1993, Sec. 211.24 (c) and Sec. 211.34c, as amended.

<p>FROM CITY OF TRAVERSE CITY ASSESSING DEPARTMENT 400 BOARDMAN AVE TRAVERSE CITY, MI 49684</p> <p>Assessment Change Notices are to be mailed to the property owner not less than 14 days before Board of Review meeting.</p>	<p>PARCEL IDENTIFICATION</p> <p>PARCEL CODE NUMBER: 28-51-634-133-02</p> <p>PROPERTY ADDRESS: 602 STATION ST TRAVERSE CITY, MI 49686</p>																				
<p>*****AUTO**5-DIGIT 49620 LANFORD GANDAGE 602 STATION ST TRAVERSE CITY, MI 49686-2682</p> 	<p>PRINCIPAL RESIDENCE EXEMPTION</p> <p>% Exempt As "Homeowners Principal Residence": 100.00%</p> <p>% Exempt As "MBT Industrial Personal": .00%</p> <p>% Exempt As "MBT Commercial Personal": .00%</p> <p>Exempt As "Development Property": <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>																				
<p>ACCORDING TO MCL 211.34c THIS PROPERTY IS CLASSIFIED AS: 401 (401 RESIDENTIAL IMPROVED)</p>																					
<p>PRIOR YEAR'S CLASSIFICATION: 402 (402 RESIDENTIAL VACANT) 2019 Inflation rate Multiplier is: 1.00</p>																					
<p>2019 estimated change in taxable value will increase/decrease the tax bill by approximately: \$2377</p>	<table border="1"> <thead> <tr> <th></th> <th>PRIOR AMOUNT YEAR: 2018</th> <th>CURRENT TENTATIVE AMOUNT YEAR: 2019</th> <th>CHANGE FROM PRIOR YEAR TO CURRENT YEAR</th> </tr> </thead> <tbody> <tr> <td>1. TAXABLE VALUE (Current amount is tentative):</td> <td>17,000</td> <td>79,893</td> <td>62,893</td> </tr> <tr> <td>2. ASSESSED VALUE:</td> <td>17,000</td> <td>83,500</td> <td>66,500</td> </tr> <tr> <td>3. TENTATIVE EQUALIZATION FACTOR: 1.000</td> <td></td> <td></td> <td></td> </tr> <tr> <td>4. STATE EQUALIZED VALUE (Current amount is tentative):</td> <td>17,000</td> <td>83,500</td> <td>66,500</td> </tr> </tbody> </table>		PRIOR AMOUNT YEAR: 2018	CURRENT TENTATIVE AMOUNT YEAR: 2019	CHANGE FROM PRIOR YEAR TO CURRENT YEAR	1. TAXABLE VALUE (Current amount is tentative):	17,000	79,893	62,893	2. ASSESSED VALUE:	17,000	83,500	66,500	3. TENTATIVE EQUALIZATION FACTOR: 1.000				4. STATE EQUALIZED VALUE (Current amount is tentative):	17,000	83,500	66,500
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<p>5. There WAS/WAS NOT a transfer of ownership on this property in 2018. WAS NOT</p>																					
<p>Property taxes were calculated on Taxable Value (see line 1 above). Taxable Value number entered in the "Change from Prior Year to Current Year" column, does not indicate a change in taxes. This number indicates the estimated change in Taxable Value.</p> <p>Date ACN printed: 2/11/2019 (KCI)</p> <p>March Board of Review Information: PROPERTY ASSESSMENT CHANGED FOR FOLLOWING REASONS: ANNUAL ASSESSMENT REVIEW, NEZ ABATEMENT CHANGE</p> <p>2019 BOARD OF REVIEW WILL MEET AT CITY ASSESSING DEPT: 400 BOARDMAN AVE, TRAVERSE CITY, MI ON MONDAY, MARCH 11TH, 9:00AM TO 3:00PM, AND TUESDAY, MARCH 12TH, 3:00PM TO 9:00PM.</p> <p>***CALL PRIOR TO BOARD WITH QUESTIONS OR TO SCHEDULE AN APPOINTMENT FOR APPEAL(231) 922-4450.</p> <p>NO PROTESTS ACCEPTED BY EMAIL, FAX, OR PHONE. IF YOU ARE FILING ON BEHALF OF A PROPERTY OWNER, YOU MUST HAVE AN AGENT LETTER AUTHORIZING REPRESENTATION INCLUDED WITH COMPLETED PETITION FORM (L-4035). WEBSITE WWW.TRAVERSECITYMI.GOV/ASSESSOR.ASP</p>																					

Assessor

Property Owner

Appeal/Board of Review Information

Property Info

Principal Residence Exemption

Classification





Appeals

Image: https://www.thearcfamilyinstitute.org/resources/appeals-process-landing_page.html

Property Tax Appeals

Deadlines for Appeals



- Commercial property – May 31* – no Board of Review required
- Residential property – July 31* – must go to Board of Review first
- Special assessments – 35 days after special assessment role is confirmed

*Pursuant to MCL 205.735a(8) – if a petition is scheduled to be filed on a day the Tribunal is not open, then it is due the next business day



Board of Review - March

- Responsible for reviewing and correcting the current year's assessment role
- Hear taxpayer appeals regarding taxable value
- NO authority to make corrections to a prior year's assessment role

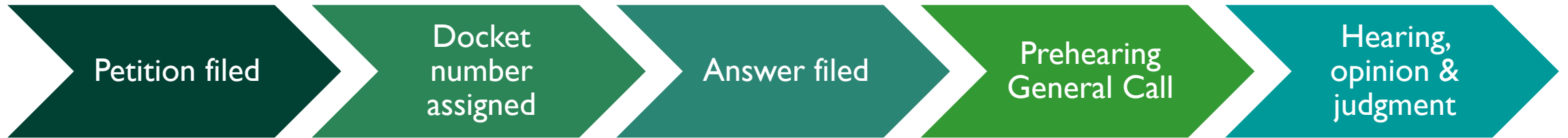


Boards of Review – July & December

- Responsible for correcting “qualified errors”
- Responsible for considering appeals regarding:
 - Principal Residence Exemptions
 - Qualified Agricultural Exemptions
 - Other specific exemptions



Appeal Process



**28 days to file
an answer



Defending Appeals

Small Claims

- Ensure municipality is answering
- Ensure municipality is providing evidence
- Ensure municipality is appearing at scheduled times
- Hearings: conference lines

Entire Tribunal

- Know the current condition of the property
- Ensure municipality understands importance of appeals and defending assessments



Practical Issues When Defending Appeals

- Discovery
- Appraisals
- Supporting Documents
- Timelines and Required Approval
- Value of Defending Assessments
- Tribunal's Perspective



Recent Case Law

- MTT Newsletter – Summary of Cases
- Stirling v County of Leelanau
- USA Hockey Foundation v Plymouth Township
- Livingston County Hockey Association, Inc. v Township of Genoa
- Salvation Army v Addison Township





Questions

Ross K. Bower II

Brittany M. Nichol

Fahey Schultz Burzych Rhodes PLC

4151 Okemos Rd., Okemos, MI 48864

Tel: 517-381-0100

rbower@fsbrlaw.com

bnichol@fsbrlaw.com

www.fsbrlaw.com

