NOTES:

|  |  |  |
| --- | --- | --- |
| {%tr for item in allinfo %} | | |
| {%tc for col in item %} | {{ col }} | {%tc endfor %} |
| {%tr endfor %} | | |

PROPERTY INFO:

|  |  |  |
| --- | --- | --- |
| {%tr for item in propinfo %} | | |
| {%tc for col in item %} | {{ col }} | {%tc endfor %} |
| {%tr endfor %} | | |

City of Detroit – Board of Review

Coleman A. Young Municipal Center

2 Woodward Ave., Suite 824

Detroit, MI 48226

**Re:** Protest of Property Tax Assessment

Homeowner: {{ owner }}

Parcel Identification: {{ pin }}  
{{ address }}

Board of Review:

This protest is submitted on behalf of {{ formal\_owner }} by [HIS/HER] authorized representative, the Property Tax Appeal Project (“PTAP”) at the Coalition for Property Tax Justice. (Appendix 1: Representation Agreement)

According to {{ formal\_owner }}’s Notice of Assessment, {{ pin }} has an assessed value of {{ current\_sev }}. This means that the Assessment Division calculates that {{ pin }} has a fair market value of {{ current\_faircash }}. Const 1963, art 9, § 3 (requiring that municipalities assess property at no more than 50 percent of their true cash value).

This assessment is inaccurate. Given the sales price of comparable properties, {{ formal\_owner }}’s property has a market value of {{ contention\_faircash }} and is properly assessed at {{ contention\_sev }}.

Here is the relevant data on {{ formal\_owner }}’s property:

|  |  |  |
| --- | --- | --- |
| **{%tc for col in target\_labels %}** | **{{ col }}** | **{%tc endfor %}** |
| {%tr for item in target\_contents %} | | |
| {%tc for col in item %} | {{ col }} | {%tc endfor %} |
| {%tr endfor %} | | |

Here is the relevant data on the comparable properties:

|  |  |  |
| --- | --- | --- |
| **{%tc for col in comp\_labels %}** | **{{ col }}** | **{%tc endfor %}** |
| {%tr for item in comp\_contents %} | | |
| {%tc for col in item %} | {{ col }} | {%tc endfor %} |
| {%tr endfor %} | | |

PTAP’s algorithm searches all Detroit sales from January 1st, 2019 to December 31st, 2021 marked arms-length by the Detroit Assessment Division. All comparable properties have the same exterior type, basement, and garage as the subject property. The comparable properties also have approximately the same number of rooms, square feet, and are a similar age as the subject property. To calculate the contention value for {{ formal\_owner }}’s property, PTAP averaged the sales prices of the comparable properties, this average was then divided in half.

Not only did the Assessment Division fail to account for the above-listed comparable properties in calculating the assessed value for {{ address }}; but it also failed to consider the costly structural damage that detracts from the property’s market value.

{{ pin }} has extensive structural damage that the Assessment Division did not account for when calculating the assessed value. Specifically, {{damage}}. As such, the property’s assessed value should be significantly reduced.

The Michigan Constitution requires that properties be assessed at no more than 50% of their market value. Given that the true market value of {{ pin }} is {{ contention\_faircash }}, the assessed value should be no more than {{ contention\_sev }}.

**{% if show\_depreciation %}**

**Incorrect Depreciation of {{** address **}}**

**{% if schedule\_incorrect %}**

The City of Detroit has incorrectly depreciated the value of {{address}}. The City’s failure to accurately depreciate the property is based on the depreciation standards outlined in Volume I of the 2014 Assessor’s Manual.[[1]](#footnote-2) {{address}} has an Actual Age of {{age}}, but was given an Effective Age of {{effective\_age}} in {{year}}. Therefore, the City claimed that {{address}} was {{percent\_good}}% good for purposes of determining the property’s depreciated cost and True Cash Value. According to the standard 1% value decrease per year, the City should have given {{address}} an effective age of {{actual\_age}} and {{new\_effective\_age}}% good.[[2]](#footnote-3) The City is only allowed to deviate from the 1% yearly depreciation for “exceptional maintenance, remodeling, replacements and additions,” including exceptionally poor maintenance.[[3]](#footnote-4) As a result, the City incorrectly depreciated and assessed {{address}}.

{% if damage\_incorrect %}

The City has also improperly deviated from the 1% yearly depreciation, in determining the Effective Age of {{address}}. {{address}} has no “exceptional maintenance, remodeling, replacements and additions” to allow the City to deviate from a 1% annual depreciation. However, {{address}} does have “exceptionally poor maintenance,” when analyzing the condition of the property, to allow the City to deviate downwards from the 1% yearly depreciation and further depreciate the property.

The condition and damage to {{address}} is described as follows: {{damage}}

{% if has\_images %}

{% for image in images %}

{{ image }}

{% endfor %}

**{% endif %}**

In accordance with {{address}}’s condition evidenced above, the City should have rated the condition of the home as “{{damage\_level}}.” The Corresponding Percent Condition should have been {{damage\_midpoint}}%. The City has thus both incorrectly depreciated the property according to the 1% yearly reduction, as well as accounting for the condition of the home in deviating from the 1% yearly reduction. As a result, the Assessed Value of {{address}} was improperly inflated in accordance with the depreciation standards outlined in Volume I of the 2014 Assessor’s Manual. We ask for the lower of the resulting Assessed Values for {{address}}, as an accurate depreciation of the property.

{% endif %}

{% if damage\_correct %}

The City has also improperly deviated from the 1% property value decrease per year, in determining the Effective Age of {{address}}. {{address}} has no “exceptional maintenance, remodeling, replacements and additions” to allow the City to deviate from a 1% annual depreciation.[[4]](#footnote-5)

The condition and damage to {{address}} is consistent with its Effective Age and is described as follows: {{damage}}

{% if has\_images %}

{% for image in images %}

{{ image }}

{% endfor %}

**{% endif %}**

In accordance with {{address}}’s condition evidenced above, the City should not have deviated from the 1% yearly reduction in remaining condition of the property (percent good). The City’s improper deviation from the 1% yearly depreciation resulted in an improperly inflated Assess Value of {{address}}. Therefore, we are seeking a reduced Assessed Value of {{address}}, which should have had an Effective Age of {{new\_effective\_age}}.

{% endif %}

**{% else %}**

The City of Detroit has improperly depreciated {{address}} by failing to account for “exceptionally poor maintenance.”[[5]](#footnote-6) The City must deviate from the 1% yearly depreciation, in determining the Effective Age of {{address}}, if the damage and condition of the property warrants a different result.

The condition and damage to {{address}} is described as follows: {{damage}}

{% if has\_images %}

{% for image in images %}

{{ image }}

{% endfor %}

**{% endif %}**

In accordance with {{address}}’s condition evidenced above, the City should have rated the condition of the home as “{{damage\_level}}.” The Corresponding Percent Condition should have been {{damage\_midpoint}}%. The City has incorrectly depreciated the property by disregarding the condition of the property, and thus failing to deviate from the 1% yearly reduction. As a result, the Assessed Value of {{address}} was improperly inflated in accordance with the depreciation standards outlined in Volume I of the 2014 Assessor’s Manual. Therefore, we are seeking a reduced Assessed Value of {{address}}, which should have had an Effective Age of {{new\_effective\_age}}.

**{% endif %}**

**{% endif %}**

Sincerely,

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Property Tax Appeal Project, Coalition for Property Tax Justice**

Legal Representative

**OPTIONAL LANGUAGE, INCLUDE AS NEEDED**

*Below is language you should insert into the appeal letter above if the clients home has recently been sold, their property is misclassified, the client is not receiving the PRE, or if the client’s home is surrounded by many abandoned or vacant properties.*

***If the client purchased their home within the last two years*:** “{{ formal\_owner }} purchased the property on [INSERT PURCHASE DATE] for [INSERT PURCHASE PRICE]. The purchase price of the home reflects an arm’s length transaction between a willing seller and a willing buyer. The seller of the property was under no compulsion to sell. A copy of the transaction, as listed in the City’s database, is included within this protest. As such, the Board should consider the sales price as strong evidence of the property’s fair market value.”

* *If the seller and/or buyer were represented by real estate agents, include this*
* *If the seller and the buyer negotiated the price, discuss this*
* *If the buyer’s real estate agent advised on the market value of the home/reviewed comparable properties, discuss this*
* *Ask your coordinator to send you a screenshot of the transaction from the City’s online database!*

***If the property is misclassified as a commercial property:***“The City of Detroit improperly classified {{ formal\_owner }}’s property as a commercial property. The Board should correct this classification to residential, grant {{ formal\_owner }} 100% of the Principal Residence Exemption, and reduce the millage rate accordingly.”

* *If the property is misclassified as commercial, you will need to complete the PRE affidavit with the client:* [*https://www.michigan.gov/documents/2368f\_2605\_7.pdf*](https://www.michigan.gov/documents/2368f_2605_7.pdf)*; reach out to your student coordinator with any questions and include the form in the client’s box folder for Andrea’s review!*

***If the client is not receiving the Principal Residence Exemption:***“{{ formal\_owner }} treats the property as [HIS/HER] principal residence, as defined by Section 211.7dd(c) of the General Property Tax Act. MCL 211.7dd(c) (defining principal residence as “the 1 place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established.”) As such, the Board must grant the taxpayer 100% of the Principal Residence Exemption, and reduce the millage rate accordingly.”

* *Complete the PRE affidavit with the client:* [*https://www.michigan.gov/documents/2368f\_2605\_7.pdf*](https://www.michigan.gov/documents/2368f_2605_7.pdf)*; reach out to your student coordinator with any questions and include the form in the client’s box folder for Andrea’s review!*

***If the client lives in a home with many abandoned/vacant properties:*** “The property’s assessed value should also be reduced because of its external obsolescence. A significant number of homes on the same block as {{ address }} are vacant or abandoned. Due to the high number of vacancies, [INSERT DESCRIPTION OF VACANCY-RELATED ISSUES]”

* *Abandoned/vacant properties can lead to many issues, be sure to ask about the following and include a description, as necessary:*
  + *Trash dumping*
  + *Excessive mold growth*
  + *Fires in abandoned areas*
  + *Rodents*
  + *Whether they have reported any of these issues to the City, and, if so, what the City’s response was*

1. Marshall and Swift/Boeckh, LLC, Assessor’s Manual Volume I Residential, Michigan State Tax Commission, at 22-23, (2014), available at <https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/STC/Assessors-Manual/Vol-1/1_2014_Michigan_Assessors_Manual_Volume_I_Introduction_575738_7.pdf?rev=e84e1016bd274f0888ed5409770578d3&hash=3BED18F4AA7A79795871830291ABDF6D>. [↑](#footnote-ref-2)
2. *Id.* at 23. [↑](#footnote-ref-3)
3. *Id.* [↑](#footnote-ref-4)
4. *Id.* [↑](#footnote-ref-5)
5. Marshall and Swift/Boeckh, LLC, Assessor’s Manual Volume I Residential, Michigan State Tax Commission, at 23, (2014), available at <https://www.michigan.gov/treasury/-/media/Project/Websites/treasury/STC/Assessors-Manual/Vol-1/1_2014_Michigan_Assessors_Manual_Volume_I_Introduction_575738_7.pdf?rev=e84e1016bd274f0888ed5409770578d3&hash=3BED18F4AA7A79795871830291ABDF6D>. [↑](#footnote-ref-6)