



## DEPARTMENTAL SUBMISSION

DEPARTMENT: Council President Mary Sheffield  
FILE NUMBER:

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### \* ITEM MEMORANDUM

\* Council Member  
**Council President Mary Sheffield**

#### Memorandum relative to (summary below):

#### \* SUMMARY:

The opportunity for homeowners to protest the City's assessment of their home's value is limited due to barriers that the Assessment Division has created to accessing the property tax appeals system. The Coalition for Property Tax Justice has been in contact with my office, and we have concluded that the following changes to the system would aid in this freedom:

1. Remove procedural barriers
2. Increase transparency
3. Create oversight

As Detroit City Council President, it is important that I address the continued inaccuracy and inequity in property tax assessments. This issue has been raised several times without a proper ordinance being drafted. Please find information below that summarize the above changes in detail.

#### A. Make the Assessor's Review Optional instead of Mandatory

- a. Given that the Assessor's Review is mandatory, homeowners currently only have 10 to 14 days after receiving their assessment notice to file an appeal with the Board of Assessor's. If this time was extended, it would give homeowner's necessary time to prepare a successful appeal.
- b. City Ordinance only affords homeowners the opportunity to present their appeal to the Board of Review. By making an appeal to the Board of Assessor's optional, homeowners would be able to appeal directly to the Board of Review where they can be heard, present evidence, and question assessors—necessary elements of procedural due process.
- c. Mayor Mike Duggan and Chief Assessor Alvin Horhn currently describe the Assessor's Review as an "informal" procedure, implying it is optional. Making the Assessor's Review optional through an Ordinance would update the procedure to reflect the Mayor's current framing of the process to the public.

#### B. Improve Assessment Notices

- a. The City should use font size 12 and larger throughout the document. The City should also use language in the notice that is accessible to those with an 8<sup>th</sup> grade reading level.

Additionally, the City should be required to provide plain language definitions and formulas for the State Equalized Value, Taxable Value, and Assessed Value.

- b. There should also be a FAQ page attached to the notice that includes the answers to common questions such as:
  - i. How do I calculate if the city is over assessing my property?
  - ii. What is the property tax appeals process?
  - iii. What arguments should I include in my property tax appeal?
  - iv. What is Detroit's millage rate?
  - v. How can I estimate my tax bill?
  - vi. What are free property tax assistance resources available in Detroit?
- c. Include the property's legal description, which helps taxpayers find their deed at the Wayne County Register of Deeds.
- d. Improve the Assessor's Review appeal instructions and add the Board of Review appeal instructions.
- e. Require the Assessor state a reason for change in the assessment.
- f. Include the percentage of Homeowners Property Exemption (HOPE) that the taxpayer of record received for the property in the preceding and current year.
- g. Require that the Assessor date the Assessment Notice with the date that it mails the notice.
- h. Require the Assessor list the type and percentage of obsolescence and depreciation that it applied to the property during the current and preceding year.
- i. Eliminate the language limiting who can file an appeal. The Detroit notice is the only notice in Michigan that states "Notice: Only the Taxpayer of Record or an Authorized Agent can File an Appeal as Provided by Sections 44-4-3, 44-4-6, and Detroit City Code." This instruction is contrary to the Detroit City Ordinance, which allows "[a]ny person considering themselves aggrieved by reason of any assessment" to file an assessment appeal.

#### **C. Improve the Board of Review Hearings**

- a. Provide a range of appointment times, including weekend times, more afternoon and evening times, and morning times. Allow homeowners to request hearings during particular times of the day based on their availability.
- b. Increase the amount of time a homeowner is allotted to present their case.
- c. The Board of Review must use a hearing room for public observation, meaning it must accommodate at least 50 people.
  - i. If held via Zoom, the Board should grant all public access to the hearings and eliminate the "waiting room" feature or any other features designed to exclude participants from the meeting.

#### **D. Improve the Assessor's Review and Board of Review Determination Letters**

- a. The Board of Assessors and Board of Review must make more accurate and considered determinations and they must disclose their reasoning for each determination on their decision letter.
  - i. The reasoning will give homeowner's agency to protest it or findings at the higher levels of appellate review.

#### **E. Make it Easier for Homeowners to be Represented by an Advocate**

- a. City Council should place clear limits on the Board of Assessors' and Board of Review's filing requirements.
  - i. The Board cannot require advocates to submit any documentation.

- ii. The Board cannot require that those protesting property tax assessments file a Property Transfer Affidavit.
- iii. In lieu of a Letter of Authorization, the Board must also accept:
  - 1. a signed retainer agreement,
  - 2. an attorney appearance, or
  - 3. an email between the homeowner and advocate carbon copying the City, granting permission for the advocate to file documents on the homeowner's behalf.

**F. Make it Easier for Homeowners to file a PTA and a Principal Residence Exemption (PRE) Affidavit**

- a. Detroit should eliminate fees for owner-occupants filing late PTA's. The Board of Review and Board of Assessors should also allow homeowners to file their PTAs with the property tax assessment appeal and Homeowners Property Exemption application.
- b. The Assessor should be required to process and grant or deny the PRE within 4 weeks of a homeowner's submission and should accept submissions with the homeowner's property tax assessment appeal and Homeowners Property Exemption application.

**G. Adopt an E-Filing System for the Board of Review**

- a. This system would allow advocates and homeowners to easily submit their appeals by uploading them into the e-filing system.

**H. Make the Board of Review Qualification Requirements Mandatory**

- a. Members of the Board of Review should never have worked for or intend to pursue a career as an employee of, the City of Detroit.
- b. Currently, the qualifications to serve on the Board of Review are preferred, but the City should require that Board members have training and certification in economics, real estate, home appraisals and inspection, etc.

**I. Transparency Proposals**

- a. The property tax appeals process should be more transparent.
- b. To increase transparency, the following changes should be made:
  - i. Release all assessment data publicly within one week of Tax Day.
  - ii. Remove all fees associated with searching property data in the City's BS&A System.
  - iii. Provide names, email addresses, phone numbers, and appointment information about the Board of Assessor and Board of Review members.

**J. Oversight Proposals**

- a. The following changes should be implemented:
  - i. Require that the city and an independent review board conduct and release a sales ratio study each year. This sales ratio study will measure both whether homes are being constitutionally assessed and whether the City is uniformly assessing property values across sales deciles.
  - ii. Prohibit the assessor from sending owner-occupied homes to the County for tax foreclosure if regressivity metrics fall outside of industry standards.

My office is asking the Legislative Policy Division (LPD) to research and draft an ordinance based on the information provided. Please contact Caryn Shannon from my office at [caryn.shannon@detroitmi.gov](mailto:caryn.shannon@detroitmi.gov) if you have any questions.

**\* RECOMMENDATION:**

Please research and draft an ordinance based on the information provided.

**\* COMMITTEE REFERRED TO:**

**Budget, Finance, and Audit**

**\* DEPARTMENTAL CONTACT:**

Name: Caryn Shannon

Position: Assistant Policy Analyst

**\*=REQUIRED**