

ANNUAL BOARD OF REVIEW PROCESS
WITH DEFINED AUTHORITIES FOR THE
MARCH MEETING
JULY MEETING
DECEMBER MEETING
PER THE STATE OF MICHIGAN STATUTES

MARCH BOARDS OF REVIEW

The March Board of Review can make decisions for the **current year** assessment roll. The March Board of Review does not have the authority to go back in time and review or change prior year matters. The March Board of Review can review the following items.

1. Current Year Assessed or Tentative Taxable Value. If the Board of Review changes an Assessed Value, it must also consider whether this change has caused the Tentative Value to change. This could happen because the tentative Taxable Value is the lower of the Assessed Value and the Capped Value.

2. Appeal of a denial by the assessor of a timely filed Small Business Taxpayer Exemption (MCL 211.9o, Form 5076).
3. Appeal of a denial by the assessor of a timely filed Eligible Manufacturing Personal Property Exemption (MCL 211.9m, MCL 211.9n, Form 5278).
4. Appeal of a denial by the assessor of a timely filed Qualified Heavy Equipment Rental Personal Property Exemption (MCL 211.9p, Form 5819).
5. A late filed Small Business Taxpayer Exemption (Form 5076), Eligible Manufacturing Personal Property Exemption (Form 5278), or Heavy Equipment Rental Personal Property Exemption (Form 5819). Taxpayers who miss the filing deadline for these exemptions can file directly with the March Board of Review. Taxpayers may file their forms with the March Board of Review if they missed the February 20 deadline.
6. Property Classification.
7. Appeal of a denial by the assessor of a continuation of a qualified agricultural exemption that was on the roll in the previous year.
8. Appeal of a denial by the assessor of a continuation of the eligible development property exemption that was on the roll in the previous year.
9. Taxable value corrections due to the incorrect calculation of taxable value. This may be due to an uncapping issue.
10. Poverty Exemptions for the current year.
11. The land assessment for a property with an Industrial Facilities Tax Roll Certificate. The March Board of Review may adjust the IFT roll assessment of a "New" Industrial Facilities Tax Certificate.

The March Board of Review has no authority to do the following:

1. The Board of Review may not reject or prepare an assessment roll but must consider only the assessment roll prepared by the assessor.
2. The Board of Review cannot act on millage rates or because a tax is too high. Taxpayers may raise these issues during an appeal, but the Board of Review has no authority to act.
3. A Board of Review cannot make wholesale or across the board adjustments to assessments. A Board of Review must consider each parcel and act upon it individually.
4. A Board of Review does not have the authority to make changes to alter, evade, or defeat an equalization factor assigned by the county or the state.

5. A Board of Review cannot raise or lower the Tentative Taxable Value unless they also raise or lower the Assessed Value and/or the Capped Value. An exception could occur if there was a "transfer of ownership" on a property in the prior year and the assessor had not uncapped the Taxable Value or if the opposite occurred.
6. The Board of Review has no authority to consider protests or appeals of the Principal Residence Exemption.
7. The Board of Review has no authority to alter an Industrial Facilities Tax assessment where a "Rehabilitation" certificate or a "Replacement" certificate has been issued.
8. The Board of Review does not have the authority to review the denial of a Qualified Forest Exemption by the Department of Agriculture and Rural Development.
9. The Board does not have authority to change the DNR PILT roll. This roll is solely under the authority of the State Tax Commission.

Can the March Board of Review make changes without a protest from a taxpayer?

Yes. The Board of Review may change a value or add a value to the roll by its own motion, provided that the taxpayer whose property has been changed is promptly notified and has an opportunity to be heard at the meeting where the change was made or at a subsequent meeting. The notification must be provided by the best means available. The Board of Review should immediately notify the assessor or someone else working in the assessing office of a proposed change so that notice to the taxpayer can be made.

Our Board of Review often hears from property owners that their property taxes are going up when markets are going down or they can't sell their homes for the value on the assessment roll. How should we address these issues?

County Equalization Studies are prepared by Equalization Departments and submitted annually by the Equalization Department to the State Tax Commission on or before December 31. These studies help adjust the level of assessed values for changes in local markets. 12-month studies may be used where there is evidence of a declining real estate market. Even though a person cannot sell their home for the value on the roll this does not automatically make the value on the roll incorrect.

Because of the taxable value cap, there may be a gap between assessed value and taxable value. This means the assessed value of a home may decrease while taxable value and the taxes increase.

Example:

Last year a home had a true cash value of \$200,000, SEV of \$100,000 and a taxable value of \$80,000. The sales study shows the true cash value of the property has decreased to \$180,000. The Inflation Rate Multiplier is 1.024.

Current Assessed Value is:	\$100,000
Current SEV is:	\$100,000
Capped Value (\$80,000 x 1.024)	\$ 81,920

Taxable Value = \$81,920 (lesser of \$100,000 SEV or \$81,920 Capped Value)

July and December Boards of Review

The authority for July and December Board of Review action is stated in MCL 211.53b. The July and December Board of Review can take action regarding qualified errors verified by the assessor (MCL 211.53b(1), (8)). The July and December Board of Review can also take action under MCL 211.53b regarding a poverty exemption for the current year under MCL 211.7u; a qualified agricultural property exemption under MCL 211.ee for the current year, which has been denied by the assessor; a qualified agricultural property exemption under MCL 211.ee that was not on the assessment roll for the current year and one prior year; or a qualified forest property exemption under MCL 211.7jj[1] that was not on the assessment roll for the current year and one prior year.

In addition, other statutes, such as MCL 211.7ss related to the eligible development property exemption, provide authority for the July and December Board of Review to take action.

What are the authorities of the July and December Boards of Review?

- The July and December Boards of Review may grant a Poverty Exemption for the current year, which was not denied by the March Board of Review or in the case of the December Board of Review, which was not denied by either the March or July Board of Review.
- The July and December Boards of Review may review a denial by the Assessor of an Eligible Development Property Exemption for the current year only. An owner may file an appeal with the July Board of Review for summer taxes or, if there is not a summer levy of school operating taxes, with the December Board of Review.
- The July and December Boards of Review may review a denial by the Assessor of a Qualified Agricultural Property Exemption for the current year only if the exemption was not on the tax roll for the previous year.
- If a property met the requirements to be Qualified Agricultural Property on or before May 1 of the year or years for which the exemption is claimed, and there has not been a previous denial of the exemption for that immediately preceding year, the owner may file an appeal to the July or December Board of Review requesting that the Qualified Agricultural Exemption be granted for the current year and the immediately preceding year.

- The July and December Boards of Review may correct the omission of a Qualified Forest Exemption that was approved by the Department of Agriculture and Rural Development but was mistakenly omitted from the roll, for the current year and the immediately preceding year.
- The July and December Boards of Review may correct Qualified Errors for the current year plus the immediately preceding year that have been previously verified by the Assessor. Qualified errors are defined in MCL 211.53b(6) as:
 - a) A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes.
 - b) A mutual mistake of fact.
 - c) An adjustment under section 27a(4) (taxable value) or an exemption under section 7hh(3)(b) (qualified start-up business exemption). Note: a correction under 27a(4) can be made for the current year and up to three preceding years.
 - d) An error of measurement or calculation of the physical dimensions or components of the real property being assessed.
 - e) An error of omission or inclusion of a part of the real property being assessed.
 - f) An error regarding the correct taxable status of the real property being assessed.
 - g) An error made by the taxpayer in preparing the statement of assessable personal property under section 19.
 - h) An error made in the denial of a claim of exemption for personal property under section 9o.
 - i) Any of the following errors regarding the disabled veteran's exemption in MCL 211.7b:
 - 1) An error made by the local tax collecting unit in the processing of a timely filed exemption affidavit.
 - 2) A delay in the determination by the United States Department of Veterans Affairs that a veteran is permanently and totally disabled as a result of military service and entitled to veterans' benefits at the 100% rate.
 - 3) **For tax year 2023 only**, a denial by the Board of Review of an exemption claimed by the unremarried surviving spouse.
 - j) An exemption under section 7u(10), for the immediately preceding tax year only, if the exemption was not on the assessment roll and was not denied for that tax year. A claim for exemption must be filed with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by supporting documentation establishing

eligibility for the exemption for that immediately preceding tax year under the criteria in section 7u(2) and any other supporting documentation as may be required by the state tax commission.

What is the definition of a clerical error?

Clerical Error was defined by the Court of Appeals in *International Place Apartments v Ypsilanti Township* 216 Mich App 104; 548 NW2d 668 (1996), as “an error of a transpositional, typographical, or mathematical nature.” July and December Boards of Review are not allowed to revalue or reappraise property when the reason for the action is that the assessor did not originally consider all relevant information. Lost or misplaced paperwork is not a clerical error.

What is the definition of a mutual mistake of fact?

Mutual Mistake of Fact was defined by the Court of Appeals in *Ford Motor Co v City of Woodhaven*, 475 Mich 425; 716 NW2d 247 (2006) as “an erroneous belief, which is shared and relied on by both parties, about a material fact that affects the substance of the transaction.” The Michigan Supreme Court in *Briggs Tax Service, LLC v Detroit Public Schools*, 485 Mich 69; 780 NW2d 753 (2010) indicated that to qualify, the mutual mistake of fact must be one that occurs only between the assessor and the taxpayer.

The July and December Boards of Review have no authority over the following:

- The July and December Boards of Review cannot reconsider any matter which was previously decided by a Board of Review.
- A denial by the assessor, an auditing county, or the Department of Treasury of a Principal Residence Exemption.
- A denial by the assessor of the continuation for the current year of a Qualified Agricultural Property Exemption where the exemption was in existence for the previous year.
- The July and December Boards of Review cannot review the classification determinations made by the assessor and/or by the March Board of Review.
- The July and December Boards of Review cannot consider changes in valuation (true cash value) which are not the result of the correction of a qualified error.
- The July and December Boards of Review cannot recap a Taxable Value where a purchaser of Qualified Agricultural Property files a late Affidavit (after the close of the March Board of Review in the year of the transfer).
- The July and December Boards of Review cannot approve an Eligible Manufacturing Personal Property Exemption, a Small Business Taxpayer Exemption, or a Qualified Heavy Equipment Rental Personal Property Exemption.

- The March, July and December Boards of Review may not consider any aspect of a delayed uncapping of Taxable Value.
- The July and December Boards of Review cannot review a denial by the Department of Agriculture and Rural Development of a Qualified Forest Exemption.