



**House  
Legislative  
Analysis  
Section**

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## APPEAL OF SPECIAL ASSESSMENTS

House Bill 4210 as enrolled  
House Bill 4212 as enrolled  
Second Analysis (6-22-89)

Sponsor: Rep. Victor C. Krause  
House Committee: Taxation  
Senate Committee: Finance

### ***THE APPARENT PROBLEM:***

Property owners in one jurisdiction have complained that in the notices they received of special assessments and special assessment hearings, they were not notified of the procedure for protesting the assessments. Such information is routinely provided with notifications of regular property tax assessments. Taxpayers are told they may appeal to the local board of review and can further appeal to the Michigan Tax Tribunal if they have first protested locally. Similar information ought to be provided to taxpayers subject to special assessments (for sidewalk and sewer construction, for example), critics say, and some people believe the process for appealing special assessments and regular assessments ought to be parallel in other ways as well. Currently, the Tax Tribunal Act does not require a local protest before the tribunal has jurisdiction over a special assessment appeal.

### ***THE CONTENT OF THE BILL:***

The bills would make it clear that a property owner must first protest a special assessment at the local hearing to be eligible to file an appeal with the state tax tribunal and would require that people who are subject to a special assessment be informed of this fact and of the method by which a protest could be made at the local level.

House Bill 4210 would amend Public Act 162 of 1962 (dealing with hearing notices) to require that notices of a hearing sent to property owners subject to a special assessment include a statement that an appearance and protest at the hearing is necessary in order to appeal the amount of a special assessment to the state tax tribunal and describing the manner in which an appearance and protest could be made. The bill would provide that an owner or party in interest (or an agent of that person) could appear in person at the hearing or file the appearance and protest by letter.

Further, the bill would require the local governing body to maintain a record of parties appearing at a hearing to protest. If a hearing was terminated or adjourned for the day before a party whose name had been recorded was provided the opportunity to be heard, the person would be considered to have protested the special assessment in person.

The bill would also require that the notice of a special assessment contain a notification that a written appeal of the special assessment could be filed with the state tax tribunal within 30 days after confirmation of a special assessment roll if the special assessment had been protested at the local hearing.

House Bill 4212 would amend the Tax Tribunal Act to specify that before the tribunal could acquire jurisdiction of a special assessment dispute, the special assessment

must have been protested at the hearing held to confirm the special assessment roll.

The bills would take effect July 31, 1989.

MCL 211.741 and 211.744 (House Bill 4210) and 205.735 (House Bill 4212)

### ***FISCAL IMPLICATIONS:***

The Senate Fiscal Agency has said that the bills would have no fiscal impact on state or local governments. (5-24-89)

### ***ARGUMENTS:***

#### ***For:***

The bills would put in place for special assessment protests a procedure similar to that which exists for protesting property tax assessments. Property owners would receive ample notification that they can appeal special assessments to the state tax tribunal if they first attend the local hearing to voice their complaints or protest by mail. Property owners have complained that they are not currently notified how to protest special assessments.

#### ***Against:***

As the bill passed the House, it would have permitted local units to decide whether taxpayers who are local residents could protest a special assessment by mail or whether they must appear in person at the special assessment hearing. This remains a better approach. It is the method followed for the protest of regular property tax assessments and has worked without complaint. If taxpayers merely need to send a letter to local officials to appear later before the tax tribunal, the tribunal could suffer a substantial increase in appeals based on vague written communications. The local hearing is an important forum for clearing up simple mistakes and discussing the factors that determine a special assessment. It can lead to a taxpayer and local officials finding a middle ground in a dispute and eliminating the need for further appeals. It should be noted that a taxpayer can be represented by an agent at the hearing if he or she cannot attend.

***Response:*** Unlike the property tax assessment process, which involves scheduling an appointment with a local review board, protests of special assessments can be heard at a single hearing. If a person is unable to attend that hearing, he or she would forfeit a right to an appeal if the local unit would not accept a letter of protest. As it is, the bill requires a local protest before an appeal to the tax tribunal, which is not required in the statute now. So, it does not seem unreasonable to allow local protests to be made by mail.