

PROPERTY TAX ASSESSMENT NEWS

February 2009



It may be worth challenging your property tax assessment right NOW!

Your company has received, or soon will receive, its annual property tax assessment from your local municipality. When you review it, ask yourself a simple question: Are you of the mindset that the assessment levied on your commercial or industrial property is too high?

If you believe the local assessor's misjudgment will result in excessive or unlawful taxes for your commercial property, you need to act now! Know that while you have until May 31, 2008 to file an appeal regarding the assessment, the time to begin the process is IMMEDIATELY. Right now, you should consider a challenge to your local Board of Review. Thereafter, the appeal for your commercial or industrial property can be directed to the Michigan Tax Tribunal -- as long as it is by May 31. So, whether your challenge is local or at the state level, it is crucial to start your appeal now.

Indeed, your municipality might have made a subjective decision about market value without taking into consideration capitalization rate, cost, obsolescence, vacancy and general market conditions. It is possible your company is adversely impacted by those decisions.

Expert legal counsel is vital in evaluating the matters mentioned above and determining the appropriateness of challenging the assessment. In deciding whether to appeal an assessment, many factors should be considered including valuation methods, comparable properties and historical practices of the local assessors.

Case Study: A West Michigan apartment complex saves \$65,000 a year by appealing their assessment

LEARN IF AN APPEAL MAKES SENSE FOR YOUR COMPANY

McShane & Bowie's years of experience in property valuation enable us to uniquely assist you. Once you have decided to appeal, we'll file your appeal with the Tax Tribunal. Then, based on the willingness of the assessor to be realistic and give weight to our analysis of your assessment, we'll determine whether your situation can be resolved through a negotiated settlement or requires a hearing before the Tax Tribunal. Over the years, our appeal work has aggregately saved our clients millions of dollars.

To learn more about your opportunity to appeal, CALL TODAY for an appointment or join us at our mini-workshops from 9-11am on February 26, March 5 or March 26.

Call today at 732-5000 so we can help!

Quick Hitters about Property Tax Appeals

1. With property tax appeals, it is within reason to save upwards of 35-40% in selected cases.

Last year, a 170-unit West Michigan apartment complex was disconcerted over its property tax assessment. After reviewing the assessment, Bill Bowie, McShane & Bowie's tax appeal specialist, concluded an appeal had merit because the assessor used the cost approach rather than a valuation approach based on sales and income.

Bill developed arguments that produced a lower and more accurate value of the property. The appeal process resulted in an assessment reduction of 32 percent and annual tax savings of \$65,000 (which will only increase in the future).

ownership

2. It is important to get an assessment reduced now if the value of a property is depressed rather than delaying to the future. Reason: you cannot appeal previous years and Proposal A limits annual subsequent increases to the lesser of Cost of Living and 5% per year. The owner needs to start from a lower base for those increases.

3. Types of properties successfully appealed over the years include: Apartment projects, office building, retail space, motel/hotels, golf courses and industrial buildings. Rental properties of these types that have excess vacancy are usually over assessed.

About Our Law Firm

For complete information about McShane & Bowie and our attorneys, please visit www.msblaw.com

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