

Understanding Property Taxes

If you own property, you are responsible for property taxes. Understand how and keep your home!

Ownership Documents

Deed – When you become the owner, you must record your deed with the Register of Deeds office so that you show up as the homeowner on public record. (You should also record a land contract.) The Register of Deeds office is located at 400 Monroe 7th Floor. The recording fee is \$15. You may also owe sales tax depending on the purchase price.

PTA (Property Transfer Affidavit) - Transfers the title of a property to the current owner. PTA should be filed as soon as possible after a property is deeded to a new owner. If more than 45 days have passed since the property was deeded to a new owner, filing a PTA may be associated with a fee of up to \$200. PTA's are filed at the City Assessor's office inside the Coleman A. Young Municipal Center.

PRE (Principal Residence Exemption) - Aka "homestead exemption." If you own and live in your home but the PRE is 0%, get a PRE at City Assessor's office. Your ID must match the address. A PRE qualifies you for resources available only to owner-occupants. You must have a PTA in your name before you can get a PRE.

Receiving Property Taxes

Homeowners receive 3 pieces of mail from the City of Detroit each year regarding property taxes.

- 1. Property Assessment - January** This is typically on colored paper and states "This is not a bill" in bold letters. The assessment shows property information for the year, including the taxpayer's name, assessed value, taxable value, and PRE(Principal Residence Exemption) status. The amount of the assessment reflects how large the July and December property tax bills will be. If you believe you have been over assessed (the City believes the home is worth more than it actually is) this is the only time of year you can challenge the assessment. The Coalition of Property Tax Justice provides this service or you can do it on your own. Getting your assessment lowered results in lower property tax bills during the year.
- 2. Summer tax bill – July** This is the first property tax bill for the year. It is much higher than the Winter bill. To minimize costs, pay in full by August 31, or pay in two installments August 15 and January 15. You can also use the "Plan Ahead" program at the kiosk to break out your payments over the year.
- 3. Winter tax bill - December** This is the second and final property tax bill for the year. It is due by January 15 of the next year. If you have not paid your Summer tax bill, the balance will be included.

Understanding your Assessment:

- Multiply the SEV by two to learn the estimated market value of the home. If you think your home is worth less than this number, you may be over assessed. File an appeal in February to challenge the assessment and lower your taxes.
- If you own and live in your home, the PRE should be 100% (or 50% for a two-family).
- If you do not receive the assessment, you may be missing a Property Transfer Affidavit (PTA). PTA is typically filed with your deed and puts the taxes in the current owner's name.

HOPE (Homeowner's Tax Exemption) - If you have a low household income, this can significantly lower your taxes and help you qualify for PAYS with Wayne County Treasurer. Apply as early as possible every year for the exemption. You can get an application at detroitmi.gov/HOPE. If you'd like assistance with the application contact our Tax Foreclosure Prevention hotline at (313) 405-7726.



Delinquent Taxes- Wayne County Treasurer

400 Monroe 5th Floor, Detroit

If you owe any taxes to the Wayne County Treasurer, you are already behind. Try to eliminate your debt with Wayne County or risk higher costs and foreclosure. Timeline is:

Delinquent Taxes: March 1, any unpaid property taxes owing to the City of Detroit become delinquent and transfer to the Wayne County Treasurer. Wayne County Treasurer applies fees and monthly interest to delinquent taxes. Owners can pay at any time.

Forfeiture: After two years of debt, delinquent taxes are subject to "forfeiture," which means a fee is added and the interest rate grows from 12% to 18%.

Foreclosure: After three years of debt, delinquent taxes are subject to "foreclosure," which means that the owner could lose ownership. Seek help to avoid foreclosure.

Wayne County Treasurer will notify you by mail if you have delinquent taxes. A yellow bag will be posted on the door of the property if taxes are subject to foreclosure.

Find your current delinquency status go to pta.waynecounty.com and search your property address.