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Detroit Homeowners Seek Appeal to Michigan Supreme Court in Lawsuit Challenging Racially Discriminatory Tax Foreclosures

Wayne County's tax foreclosures continue to disproportionately impact African-American homeowners

DETROIT, Mich. – Today, the NAACP Legal Defense and Educational Fund, Inc. (LDF), the ACLU of Michigan, and the law firm of Covington & Burling LLP asked the Michigan Supreme Court to hear their [appeal](#) in a class action lawsuit alleging that Wayne County's tax foreclosure practice discriminates against African-American homeowners in violation of the Fair Housing Act (FHA).

The lawsuit alleges that Wayne County has foreclosed on properties for unpaid tax bills, despite municipalities like Detroit failing to comply with their duty to assess properties annually during and after the Great Recession. Wayne County had specific knowledge that the assessments were grossly inflated, and it continued to carry out the foreclosures, resulting in the eviction of tens of thousands of homeowners from their homes. The lawsuit alleges that the foreclosures have a disparate impact on African-American homeowners in violation of the FHA, which prohibits unjustified practices that adversely impact racial minorities.

Shortly after the lawsuit was filed in Wayne County Circuit Court, the judge ruled that the civil rights groups properly stated a claim for race discrimination under the FHA. Nonetheless, the judge dismissed the case on "jurisdictional grounds," ruling that the class action should have been filed in the Michigan Tax Tribunal, not in circuit court. Plaintiffs appealed to the Michigan Court of Appeals, arguing the FHA explicitly authorizes the filing of cases in state "court," and the Michigan Tax Tribunal is an administrative agency, not a court. However, that court affirmed the circuit court's dismissal, and Plaintiffs are now asking the Michigan Supreme Court to hear their appeal.

"Wayne County's discriminatory tax foreclosures continue to impact African-American homeowners in devastating ways, and neighborhoods and families continue to be broken apart because of it," said [Coty Montag](#), Deputy Director of Litigation at LDF, who argued the case before the Michigan Court of Appeals. "We are asking the Michigan Supreme Court to hear our appeal so that we can put an end to Wayne County's discriminatory foreclosure practice."

"Detroit's tax foreclosure crisis is a government-created catastrophe that is destroying neighborhoods and undermining the city's economic recovery," said Michael J. Steinberg, legal director of the American Civil Liberties Union of Michigan. "Nobody should lose their home for inability to pay taxes they never should have had to pay in the first place."

Plaintiffs have requested that the Michigan Supreme Court expedite its consideration of their appeal, so that they can prevent further evictions stemming from the next round of discriminatory foreclosures, which will begin in February 2018. In the foreclosure auctions that recently closed, Wayne County sold thousands of homes for unpaid tax bills, including two homes of named plaintiffs in this lawsuit.

Plaintiffs also allege that the City of Detroit's unduly burdensome process for receiving a poverty exemption for property taxes violates their constitutional right to due process. That claim is still pending in circuit court.

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Founded in 1940, the NAACP Legal Defense and Educational Fund, Inc. (LDF) is the nation's first civil and human rights law organization and has been completely separate from the National Association for the Advancement of Colored People (NAACP) since 1957—although LDF was originally founded by the NAACP and shares its commitment to equal rights. LDF's Thurgood Marshall Institute is a multi-disciplinary and collaborative hub within LDF that launches targeted campaigns and undertakes innovative research to shape the civil rights narrative. In media attributions, please refer to us as the NAACP Legal Defense Fund or LDF.

For nearly 100 years, the ACLU has been our nation's guardian of liberty, working in courts, legislatures, and communities to defend and preserve the individual rights and liberties that the Constitution and the laws of the United States guarantee everyone in this country.