

Property Assessment Information/Frequently Asked Questions

Buying a property?

Due to statutory requirements, your property taxes will be calculated based on 50 percent of the current market value of your home the year *following* the purchase. If someone has owned their home for a while, there might be a large difference between their property assessment and their taxable value. If you or your mortgage company is estimating property taxes based on the current year's tax bill amounts could lead to a large shortfall in your budget/escrow.

To estimate your property taxes, follow this link to the Department of Treasury's property tax estimator:

<https://www.michigan.gov/taxes/property/estimator>

What's the difference between an assessed value and a taxable value?

The *assessed value* is 50 percent of the market value. This value fluctuates each year based on the local real estate market. So, if you multiply your assessed value by 2, that would be the approximate market value of your property.

A *taxable value* is the portion of the assessed value of your property that is used to calculate property taxes. With the passing of Proposal A in 1994, all properties became "capped" & their taxable value was created. Proposal A was designed to limit the amount of increases in property taxes each year. There are only three ways your taxable value can increase; 1) the rate of inflation/consumer price index, which is applied to every parcel in the state each year 2) physical changes to your property and 3) a transfer of ownership. Your taxable value will "uncap" to equal the assessed value the year after a transfer of ownership. This means that your property taxes will be based on 50 percent of the market value of your home the year *following* the purchase.

How is my property value used to calculate my tax bill?

Your property tax bill is calculated by multiplying the taxable value of your parcel by the millage rate. The assessor has no authority over millage rates. A link to the Department of Treasury's property tax estimator is available above.

How does the assessor determine my property assessment?

Each parcel in the Township has a property record card that contains all the information we have on file for a property. It includes land size, house information, such as style, size and age, and any out buildings. The assessor uses the State of Michigan mandated cost manual to apply rates to the different attributes to determine the reproduction cost of your structure. The age and condition of the buildings are then considered to apply depreciation to the reproduction cost. This is how a base cost of the property is established. Sales that have occurred in the Township are then evaluated to determine land value rates and changes to the local real estate market.

How does the assessor calculate market value changes?

Each year the assessor studies sales that have occurred in the Township. The sales price of a property is compared to the assessed value to determine a sales ratio. A sales ratio is computed for all sales in the Township and the average ratio determines how much property assessments should increase or decrease to equal 50 percent of the market value. Since these market changes are made on a district wide scale, it is very important to have the most accurate property data on file as possible.

Homeowners can review a free copy of their record cards by visiting <https://bsaonline.com/?uid=883> . You can also review your record card by emailing/ contacting the Assessor or by visiting Township Hall.

My neighbor and I have very similar homes. Why is my tax bill higher than theirs?

If you have a home that is truly similar to your neighbor's home, your assessed value should be similar to theirs; however, the taxable values would probably not be the same. Each taxable value will depend on when the property was 'capped' due to the most recent transfer of ownership. The year following a purchase, the taxable value is recalculated at the current market value. If your neighbor has owned their home for a few years, there might be a large difference between their assessed and taxable values. The assessed value and taxable value are not the same and should not be compared when evaluating a tax bill.

Can I appeal my property assessment?

Absolutely! If you receive your change of assessment notice and disagree with the current year's value you have the right to file an appeal with the March Board of

Review. The March Board of Review is the only time you can file an appeal on the value of your property.

Who may file an appeal?

Any taxpayer may file an appeal regarding the assessment of their property. This appeal can be done by letter or by making an appointment with the March Board of Review while they are in session.

How do I make an appeal?

The Board of Review needs good reasons to alter an assessment. It is important to be able to answer the questions “What do you think your property is worth?” and “what are you basing that opinion on?”. Many real estate websites offer information on recently sold homes. Finding recently sold homes that are truly comparable to yours is a great way to get an idea of a market value for you to dispute your assessment. Don’t forget to bring documentation supporting your appeal!

If you disagree with the Board of Review’s decision, you may appeal to the Michigan Tax Tribunal. The appeal deadlines can be found at www.michigan.gov/taxtrib.

If your property has a residential or agricultural classification, you must appeal to the local board of review prior to appealing the Michigan Tax Tribunal.

Appeals for commercial, industrial, developmental, or utility real property may be appealed to the March Board of Review or directly to the Michigan Tax Tribunal prior to May 31st of the tax year involved.

Who are the members of the Board of Review?

The Board of Review is comprised of three Township residents. The Board of Review members are not the same as the Board of Commissioners.

When does the Board of Review meet?

The Board of Review meets in mid-March to hear value appeals. Contact the Township Hall for the exact dates & times for the current year’s meetings. That information is also on your assessment notice.

For more information regarding property taxes, please visit the Michigan Department of Treasury’s website: <https://www.michigan.gov/taxes/0,4676,7-238-43535---,00.html>