

## **FREQUENTLY ASKED QUESTIONS?**

### **What is the Assessed Value?**

The Assessed Value is the estimate of 50% (one-half) of the True Cash Value of your property. This is calculated by the local unit of government's assessing department. The Michigan State Constitution requires the Assessed Value be set at the level of 50% of the True Cash Value.

### **What is the County Equalized Value?**

The Assessed Value as placed by the local Assessor, is reviewed by the County Equalization Department. The Equalization Department may add to, subtract from, or approve it as submitted. Upon the checks and balances from the County, the Assessed Value becomes the County Equalized Value.

### **What is the State Equalized Value (SEV)?**

The Michigan State Tax Commission reviews the County Equalized Value. The State Tax Commission may add to, subtract from or approve it as submitted. If the State Tax Commission accepts the County Equalized Value, the State Tax Commission certifies the numbers and they become the State Equalized Value.

### **What is Taxable Value?**

This is the value that is multiplied by the millage rate, to produce your tax amount. The 1994 electorate, created the taxable value upon the passing of Proposal "A". The Taxable Value; is either the current year SEV, or Capped Value, **which ever is less**. The Taxable value can increase from year to year by 5.0% or the amount of the consumer price index, which ever is less.

### **What is Capped Value?**

The Capped Value is the previous Taxable Value, {minus losses} and multiply by 5.0% or the consumer price index, (which ever is less) plus any addition = Capped Value.

### **What authority does the Township have in order to place a value on my property for property tax purposes?**

This is a mandate of Public Act 206 of 1893 as amended, also known as the Michigan General Property Tax Law.

### **When are the Assessed Values for each parcel determined?**

December 31, of the previous year is “tax day” for assessing purposed throughout the State of Michigan. The condition, (economic or physical), percentages of improvements and status of the property as of that date.

### **Am I allowed to view my appraisal records?**

Yes! Most departmental records are considered public record, they are open for inspection during normal business hours.

### **What is a “PRE” Exemption?**

The Principal Residence Exemption, used to be known as the Homestead Exemption, is an exemption for tax levied by the local school district for school operating purposes. Your principle residence that you live in and shall return to as your primary residence qualifies you for this 18 mill exemption. The homestead exemption came into effect with Proposal “A” in 1994 and can be found in the General Property Tax Act 211.7cc.

### **How do I obtain the “PRE” Exemption on my property?**

You must file a “PRE Exemption Affidavit” with the local Assessing Office after you occupy the property as your principle residence.

### **After I file the “PRE Exemption Affidavit”, when will I receive the lower millage rate?**

If you occupy your homestead before May 1<sup>st</sup> of the current year, you will receive the lower millage rate that same year. If you occupy the homestead after May 1<sup>st</sup> of the current year, you will receive the lower millage rate in the following year.

### **How often do I have to file this Affidavit?**

Once filed, your Homestead Affidavit is valid for as long as you own and occupy that property as your principle residence.

### **When I claim an exemption on my new residence, what happens to the exemption on the residence I sold?**

The exemption on your previous residence remains in effect until December 31<sup>st</sup> of the year sold. If you move and do not sell your previous residence, you still need to fill out a rescind form with the local assessor and the homestead will remain in effect until December 31<sup>st</sup> of the current year. In 2008 the state started a new exemption called the conditional rescind. To receive a conditional rescind the home you have moved out

of, must be for sale, not rented out, and still owned by a Michigan home owner. The conditional rescind form can be filed for up to 3 years.

### **What is a “Transfer of Ownership”?**

A Transfer of Ownership is a conveyance of title of property. The conveyance can be deed, land contract, lease or interest in a corporation or other legal entity. Filing a Property Transfer Affidavit became law with proposal “A” in 1994 and can be found in the General Property Tax Act 211.27a.

### **Do I have to file a “Property Transfer Affidavit” if I purchase property?**

Yes! State law requires the purchaser to file a “Property Transfer Affidavit” within 45 days of the transfer with the local assessing department, or pay fines of \$5.00 a day.

### **If my closing agent fails to file a “Property Transfer Affidavit”, am I still responsible for the fine and penalties?**

Yes! Even though the law requires all closing agents to comply with the disclosure requirements, there is no penalty for failing to do so. The responsibility falls onto the new owner to make sure the Property Transfer Affidavit is filed. It is suggested that you personally file the transfer affidavit with your local assessing department and receive a date stamped copy for your records.

### **What if I don’t agree with my assessment?**

It is recommended that you first talk with an appraiser in the Assessor’s office. During this time you can learn how your assessment was calculated, what factors were considered and what types of records are kept on your property. You can see the market analysis that was done for your neighborhood, and what like homes in your area are selling for. You can obtain this information during normal business hours. You do not need an appointment. Our office maintains records of sale information, building permits, and other pertinent items.

If you still think that the assessment is incorrect, you can file an objection with the Township Board of Review. The dates and times for the meeting will be on your assessment notice that you receive at the end of February. **When you receive your tax bill in July or December, it is too late to file an objection.** Paying your tax bill under protest does not constitute an assessment objection, unless you have first filed an appeal with the Board of Review.

### **What is the Township “Board of Review”?**

The Board of Review consists of three Township residents appointed by the Township Board of Trustees. The Board of Review hears evidence presented by taxpayer and decide if the assessments were calculated fairly. It is an informal review process.

The Board of review meets three times throughout the year. The meetings are held in March, July and December. **The March meeting is the only meeting that the property owner can protest their assessment or taxable value.** The other two meetings are to correct clerical errors and mutual mistakes of fact.

State law puts the burden of proof on the property owner to show that the assessment is incorrect. Your evidence must be strong enough to prove that the Assessor's value is incorrect. **Stating that your property taxes are too high is not relevant testimony.** You should establish in your mind what you think your property is worth. The best evidence for this would be recent sale of properties similar to yours. The closer the proximity and similarity, to your property, the better the evidence. The more recent the sale date is a factor to consider; you should compare your home to properties, which have sold within the last of year. The Time frame used by assessors is a one year study from October 1, thru September 30 prior to the tax day in question. December 31, 2009 would be the tax day for the 2010 assessment year.

**I was out of town when the “Board of Review” was in session and could not make an appeal; what can I do about my assessment?**

If a protest was not made to the Board of Review while they were in session, no further protest can be made. The tax laws of the State of Michigan are very specific in the requirement of the Board of Review protest.

**If I am not satisfied with the decision that was made by the “Board of Review”, what may I do?**

If you disagree with the decision for the Board of Review, you may file an appeal with the Michigan Tax Tribunal. You may file this appeal by mailing a letter to the Tax Tribunal small claims, stating your desire to further appeal the Board of Review decision. This appeal must be filed no later than June 30<sup>th</sup> of the year of protest and should be sent to the address below.

Michigan Tax Tribunal  
Small Claims Division  
P. O. Box 30232  
Lansing, MI. 48909.