Assessing Department - Frequently Asked Questions:

What is the difference between the Assessed Value, the State Equalized Value, and the Taxable Value?

Each year the Assessor's Office must calculate the Assessed Value (AV) of each property. The Assessed Value is required by the Michigan Constitution and laws to be 50% of the true cash value of the property. In determining the Assessed Value, the Assessor reviews the characteristics of each property, identifies area neighborhoods and uses a two-year sales study to analyze market values within each neighborhood, comparing the sales price of a property to its assessed value. The sales study period for the 2020 assessments was from 4/1/17 to 3/31/19. A review of all arms-length sales within each neighborhood for the required study period is used to adjust individual Assessed Values to the current market conditions.

The State Equalized Value (SEV) is the Assessed Value as adjusted by an annual review by the counties and the state of assessments throughout Michigan to ensure that assessing practices are uniform.

The Taxable Value (TV) is a term resulting from Proposal A, adopted by the voters as an amendment to the Michigan constitution in 1994, intended to limit tax increases so that taxpayers wouldn't be as affected by a strong economy and significant increases in valuation. The intention was to make changes to the Taxable Value more gradual by tying them to the rate of general inflation. Thus, the Taxable Value is the value to which the various tax millage rates are applied, thereby determining your tax bills. The Taxable Value on the property is set to be "Capped" if the property owner did not purchase it in the preceding year. On "Capped" properties, the Taxable Value is calculated by multiplying the annual Consumer Price Index factor by the prior year's Taxable Value. However, the Taxable Value will NEVER by more than the SEV. When a property is sold or otherwise transferred, the Taxable Value in the FOLLOWING year will be equal to the SEV and thus is said to be "Uncapped" for the year. The Taxable Value is also adjusted for any new constructions (like adding a new addition) or for losses (like tearing down a garage).

I think sales prices in my neighborhood have been decreasing. Will my property valuation decrease as well?

If you've owned your property for a significant amount of time, it is likely that your SEV exceeds your Taxable Value. If this is the case, a decrease in market value would result in a decreased Assessed Value and SEV. The Taxable Value, however, is required by the Michigan Constitution to be calculated as stated above. In such a case, the SEV could decrease while the Taxable Value would increase. But remember, the Taxable Value cannot be higher than the SEV.

How does that impact my tax bill?

Because the taxes are based on the Taxable Value, even with a decrease in the SEV the taxes could still go up.

I just bought my house. Will the Assessed Value automatically be half of what I paid?

By state law, a home's Assessed Value is not half its purchase price, but half of its market value. For a variety of reasons, the purchase price may not represent the normal market value of the property. The sales study and process identified above are used to determine market values. The Assessor must follow the same procedures for determining the Assessed Value of properties that have experienced a "transfer of ownership" as are used for properties that have not experienced a "transfer of ownership".

What does it mean for a property to "Uncap"?

A property is said to "uncap" the year after there is a change in ownership. When an "uncapping" occurs, the property's Taxable Value is "uncapped", and made equal to the Assessed Value.

If I refinance my home will it "Uncap"?

No, if the property is still under the same ownership and the mortgage was refinanced, the Taxable Value remains "capped".

What types of home improvement will increase my Taxable Value?

Normal maintenance and repair items such as: replacement siding, roof, furnace, windows, remodeling of kitchens or baths, and other maintenance items, will not cause an increase in the Taxable Value of a property. New items that had not been previously assessed, however, are added to the Taxable Value. Examples of new items are: deck or patio, addition, finished basement, air conditioning, or new bathroom. Likewise, property that is removed is subtracted from the Taxable Value. Examples are: demolition of a garage, a fire loss, or removal of an in-ground pool.

What if I disagree with my assessment?

You will receive an annual Notice of Assessment in February of each year. If you disagree with the Assessor's determination of your property's value, you may protest the assessment in person or in writing to the March sessions of the Township's Board of Review, a citizen panel that reviews assessments. Simply follow the instructions as stated on the notice and you will have your protest considered. Remember however, if you do not protest to the March Board of Review on a timely basis, you cannot later appeal the assessment. In other words, don't wait until your tax bill comes out – it's too late then. If you still disagree after your protest is considered by the March Board of Review, you may further appeal to the Michigan Tax Tribunal. The March Board of Review decision notice will be mailed to you with information on the appeal process.

Are there special benefits available to me as a homeowner?

Yes, if you own and occupy your home as your principal residence, then you can file a form with the Township Assessor and have your annual taxes substantially reduced. Such homeowners do not pay the 18-mill local school operating tax; this will reduce your annual tax bill by over 25%. You can have only one principal residence even if you own more than one home. Please contact the Township Assessor's office if you think you qualify but have not yet filed the proper form. Note-If you have an additional vacant lot that is assessed separately and is part of your yard, you can also receive this exemption on that parcel too.

What is a Principal Residence?

Principal Residences are properties that serve as your principal home. They are not cottages, summer homes, etc. Principal Residences are the property at which you reside and receive your mail, etc for the majority of the year. The School Operating Tax is removed on these properties when you declare them to be your "Principal Residence" and therefore your property taxes are reduced. You may not have more than one "Principal Residence".

We move to Florida in the winter, can I still have a Michigan Principal Residence Exemption?

Yes. However, if at some point you declare yourself a Florida resident and/or are spending more than 6 months there, you may no longer qualify for the Michigan exemption.

What if I didn't file a Principal Residence Exemption (PRE)? Can I file now?

Yes! Submit a completed "PRE" form immediately. This form will begin a review which is the only way this exemption can be provided. Remember you must "Own and Occupy" a home by June 1st in order to receive this benefit for the current year. This exemption actually removes the State Education Tax, about 18 mills or $18 per thousand of Taxable Value. You may qualify for previous years also, but this form is necessary to start the review.

What is a Poverty/Hardship Exemption? How do I qualify? And when do I file?

Poverty/Hardship Exemptions are one-year exemptions from a portion (or all) of property taxes AND must be applied for annually. Your income must be less than or equal to the Federal Guidelines for the Poverty Income Level, complete our Poverty/Hardship Application Form and supply supporting documents. Some of the documents required are State and Federal Income Tax Returns, Income and Expense statements and their supporting verification documents. Some people may only qualify one year and not the next, but in order to be considered they must reapply annually in the month of December.

Am I required to file a Property Transfer Affidavit?

Yes. All property transfers of ownership occurring in the State of Michigan since 1994 must be reported on a PTA form to the local Assessing Office within 45 days of sale or transfer to avoid penalties.

What is considered a Transfer of Sale?

Whenever a person or entity receives an interest in a parcel of property. This can include adding a son or daughter to a parcel or adding a new partner to a business. There are many different examples of this, and while the specifics of one transfer may trigger a change in Taxable Value, others may not. Please contact us or your attorney if you have specific questions.