

# How to read your assessment notice

Every year, you will receive a form like this, indicating changes in the assessed value and the taxable value of your property. The numbers give you an idea of how much this property could sell for and how much of that value you will pay taxes on.

## IF THIS IS NOT A TAX BILL, WHAT IS IT?

Your assessment notice is just that — a notice. It indicates what the local assessor determines your property is worth and how much of that value is taxable. It does not indicate what your taxes will be for this year.

## WHY YOUR ASSESSMENT CHANGED

The assessor recalculates the value of your property every year, and these lines give a general explanation of why assessments change. Even if you have not made any changes to your property in the past year, your assessment will likely still change to reflect the current real estate market. Your assessment can also fluctuate based on changes you make to your property.

## WHAT YOUR HOUSE IS WORTH AND HOW MUCH OF IT YOU WILL PAY TAXES ON

The most important figure on this notice is the taxable value of your property for this year. Your taxes should be based on the amount in that box unless you appeal it. If you have owned your home for more than a year, it should be less than the assessed value, which is half of what the state calculates your property is worth in a specified year. Taxable and assessed value will be the same the year after you buy a property, but the gap between them will usually grow the longer you own the property.

## ARE YOU SAVING AS MUCH AS YOU CAN?

If this property is your primary residence, it should qualify for an exemption that would save you a significant amount on your taxes. If the exemption has been filed for properly, your bill will say your home is 100-percent exempt as a "principal residence." If you think you are eligible for the exemption but the notice does not say you are exempt, contact your local assessor's office. If the property is farmland, it can qualify for reduced taxes under another exemption.

NOTICE OF ASSESSMENT ENCLOSED

NOTICE OF ASSESSMENT, TAXABLE VALUATION (INCLUDING LEASEHOLD IMPROVEMENTS) AND PROPERTY CLASSIFICATION

THIS IS NOT A TAX BILL

NAME AND ADDRESS OF OWNER OR PERSON NAMED ON ASSESSMENT ROLL:

PROPERTY IDENTIFICATION:

THIS PROPERTY IS CLASSIFIED AS: 401

PRIOR YEAR'S CLASSIFICATION IF DIFFERENT:

Proposal A, passed by voters on March 15, 1994, places a limit on the value used to compute property taxes. Starting in 1995, your property taxes were calculated on Taxable Value (see line 1 below). If there is a number entered in the "Change" column at the right side of the Taxable Value line, that number is not your change in taxes. It is the change in Taxable Value.

Prior to 1995, your taxes were calculated on State Equalized Value (see line 4 below). State Equalized Value (SEV) is the Assessed Value multiplied by the Equalization Factor, if any (see line 3 below). State Equalized Value must approximate 50% of market value.

IF THERE WAS A TRANSFER OF OWNERSHIP on your property in 2004, your 2005 Taxable Value will be the same as your 2005 State Equalized Value. Please see line 5 below regarding transfer of ownership on your property.

IF THERE WAS NOT A TRANSFER OF OWNERSHIP on your property in 2004, your 2005 Taxable Value is calculated by multiplying your 2004 Taxable Value (see line 1 below) by 1.023 (which is the Inflation Rate Multiplier for the current year). Physical changes in your property may also increase or decrease your Taxable Value. Your 2005 Taxable Value cannot be higher than your 2005 State Equalized Value.

	PRIOR AMOUNT YEAR 2004	CURRENT AMOUNT YEAR 2005	CHANGE
1. TAXABLE VALUE (Current amount is tentative):	67,542	116,800	49,258
2. ASSESSED VALUE:	116,000	116,800	800
3. TENTATIVE EQUALIZATION FACTOR: 1.00000			
4. STATE EQUALIZED VALUE (Current amount is tentative):	116,000	116,800	800
5. THERE <u>Was</u> A TRANSFER OF OWNERSHIP ON THIS PROPERTY IN 2004.			

If you believe that these values, the property description, or the information on line 5 is incorrect you may protest to the Local Board of Review. A nonresident may protest to the Board of Review by letter. Letter appeals are to be accompanied by a completed Board of Review petition form (form L-4035 or an alternate petition form used by the local unit of government). The petition form approved by the State Tax Commission (form L-4035) is available at [www.michigan.gov/treasury](http://www.michigan.gov/treasury). The Board of Review will begin meeting on March 22, 2005 to consider appeals on assessments at the following address: City of Grosse Pointe Park, 15115 East Jefferson Avenue, Grosse Pointe Park, MI 48230. March 22 from 9:00 AM-9:00 PM and March 23 9:00 AM-5:00 PM --BY APPOINTMENT ONLY-- call (313) 822-4361 for questions or appointments. Written appeals are accepted if postmarked by March 23, 2005.

% Exempt As "Homeowner's Principal Residence": 100.0000

% Exempt As "Qualified Agricultural Property":

The denial of an exemption from the local school operating tax for "qualified agricultural properties" may be appealed to the local Board of Review. The denial of an exemption from the local school operating tax for "homeowner's principal residence" may be appealed to the Michigan Tax Tribunal. Protest at the Board of Review is necessary to protect your right to further appeals to the Michigan Tax Tribunal for valuation and exemption appeals and to the State Tax Commission for classification appeals.

Leasehold Improvement Information: If this notice form is for the personal property of a tenant who has installed leasehold improvements, the following are the 2005 Taxable Value (TV) and the 2005 State Equalized Value (SEV) of the leasehold improvement portion of the total property:

2005 TV 0

2005 SEV 0

Homeowner's Principal Residence Affidavit Information Required by P.A. 247 of 2003: If you purchased your principal residence after May 1 last year, to claim the principal residence exemption, if you have not already done so, you are required to file an affidavit before May 1 this year.

Source: Research by NATE TRELA/Detroit Free Press

JOHN W. FLEMING/Detroit Free Press



## APPEALING YOUR PROPERTY ASSESSMENT

The State of Michigan established the appeal process to assure the property tax system functions in an equitable fashion. It is the taxpayers right to take advantage of this process.

### What is a valid basis for appeal?

Claiming your property taxes are too high and continue to go up is not a valid basis for appeal. The Taxable Value may increase each year based on the inflation rate multiplier or 1.05, whichever is less. To actually see a reduction in taxes, the Assessed Value (SEV) or Capped Value must decrease to less than the level of your current Taxable Value.

To have a good basis for appeal, you need to provide evidence which indicates the Assessed Value is in excess of 50% of True Cash Value. This requires some research on your part. Is the value of your property comparable to the sale price of similar properties that recently sold in your area? Is the information on which the Assessor based the assessment correct? You can visit the Assessor's Office to review your property record card for accuracy.

A number of factors are considered when estimating a property's value. Some of these factors are age, size, quality and type of construction, lot size, finished attics and basements, the neighborhood where the property is located, and the selling price of similar properties in that area.

If you recently purchased your home for less than the value placed on it by the Assessor, you need to check to see if other homes in your area also sold for less than twice the Assessed Value (SEV). This may indicate that the market value is lower than the value established by the Assessor. Information on sale prices of homes is available at the Assessor's Office.

A professional appraisal of your property can be valuable if you file an appeal; however, unless substantial tax savings result from the appeal, the cost of the appraisal might be more than your tax savings.

### How do I appeal my property value?

The City of Sault Ste. Marie Board of Review meets starting the second Monday of March for a period of two (2) days and it's during this time that you must appeal your property value. The exact dates and time for the Board of Review will be listed on your Assessment Change Notice. Members of the Board of Review are citizens appointed by the City Commission and are not employees of the City of Sault Ste. Marie.

Notices of Assessment and Taxable Value are mailed to property owners at the end of February each year. Read your notice carefully and if you have questions, contact the Assessor's Office at 906-632-5712 or [tfuller@saultcity.com](mailto:tfuller@saultcity.com)

Appearances before the Board of Review are by appointment only and the appropriate appeal forms will be provided to you or may be found on-line at [http://www.michigan.gov/documents/l4035f\\_2658\\_7.pdf](http://www.michigan.gov/documents/l4035f_2658_7.pdf). You will receive notification of the Board's decision regarding your appeal approximately four (4) weeks after the Board adjourns. This notification will provide you with information for further appeal to the Michigan Tax Tribunal (MTT) or a Tribunal property tax appeal form for valuations can be found online at [http://www.michigan.gov/documents/taxtrib/scpetition\\_with\\_instructions\\_val\\_pov\\_with\\_multi\\_9\\_27\\_13\\_435472\\_7.pdf](http://www.michigan.gov/documents/taxtrib/scpetition_with_instructions_val_pov_with_multi_9_27_13_435472_7.pdf) if you are not satisfied with the Board's decision. You must file your appeal with the MTT by July 31st for residential property or by May 31st for commercial real property, industrial real property and business personal property.

Residential properties are required to first protest before the local board of review in order to appeal to the Michigan Tax Tribunal.



# March Board of Review Q &A

## **What is the March Board of Review?**

The Board of Review reviews the assessment roll received from the Assessor to check to see it is complete, accurate, uniform and valid. They conduct public hearings in March to hear appeals from property owners.

## **Should I Appeal to the Board of Review?**

Each year, prior to the March meetings of the local board of review, assessment change notices are mailed. These informational notices include State Equalized Value, Taxable Value, the percent of exemption as a Principal Residence or Qualified Agricultural Property, and whether or not an Ownership Transfer has occurred. If you believe the Assessed Value is more than half the value of your property, you may appeal the Assessed and/or Taxable Values at the March Board of Review. You can obtain information about the specific meeting dates and schedule an appearance with the Board of Review by contacting your assessing office at (906) 632-5712 or [tfuller@saultcity.com](mailto:tfuller@saultcity.com). The Board has no control over millage rates or property taxes.

Other reasons to appeal to the Board of Review would include:

**CLASSIFICATION:** Indicates the use of your property. There are six classifications, Agricultural, Commercial, Developmental, Industrial, Residential and Timber Cutover.

**STATUS:** Certain properties are tax-exempt.

**EQUITY:** All properties within the jurisdiction are to be assessed at the same ratio; 50% of True Cash Value.

**HARDSHIP:** Poverty stricken property owners can request tax relief from the Board of Review through a hardship application by contacting your assessing office. Household financial documentation will be necessary.

## **Am I Required to Attend the March Board for a Commercial/Industrial Real Property?**

No. As of the year 2007 Commercial and Industrial Real properties no longer have to petition to the March Board of Review. These appeals can be made directly to the Michigan Tax Tribunal at (517) 373-3003 or <http://www.michigan.gov/taxtrib> on or before May 31<sup>st</sup>.

## **Am I Required to Attend the March Board for Personal Property?**

No. Personal Property can be appealed directly to the Michigan Tax Tribunal provided a Personal Property Statement has been filed before the commencement of the March Board of Review. If the statement has not been filed an appearance at the March Board is required. Michigan law indicates that Personal Property Statements are due February 20<sup>th</sup>. The appeals to the Michigan Tax Tribunal <http://www.michigan.gov/taxtrib> must be made by May 31<sup>st</sup>.

# March Board of Review Q &A

## **Who can schedule/attend a MBOR Appointment?**

Any individual may file an appeal regarding the assessment of any property within the board's jurisdiction. By law, non-resident property owners can appeal by letter. Some local Cities/Villages/Townships will allow letter appeals by residents as well. Most commonly the property owners appeal in person. You may need to schedule an appointment if you or your agent is to appeal in person. The Board of Review meetings are open to the public in compliance with the Open Meetings Act.

## **How to Prepare for the Board of Review?**

The taxpayer must provide evidence showing the assessment placed upon the property is incorrect. The Board of Review needs good reason to alter an assessment.

It is imperative to be able to answer the questions:

"What do you think the property is worth?"

"What are you basing your opinion on?"

All assessments are to be based on the sales of similar properties. You may hire a professional appraiser, or you can look at sales in your neighborhood and compare them to your home. Per state law, the sale price of a property cannot be the sole determining factor of the assessment of that property. Neither the Assessor nor the Board of Review can raise or lower a property assessment based solely on its sale price. Mortgage appraisals also may not show True Cash Value.

## **When do I Receive Notification on the Outcome of the Boards Decision?**

Every person who protests before the Board shall be notified in writing no later than the first Monday in June of the board's action on the protest. The decision of the Boards is binding for the current assessment year only. This notice must include information concerning the right to appeal to the Michigan Tax Tribunal, the time limits for appealing, and the tribunal's address.

## **Can I Appeal the March Board of Reviews Decision?**

Yes. Assessments reviewed by the Board of Review can be appealed to the Michigan Tax Tribunal <http://www.michigan.gov/taxtrib> . The appeal deadline for Residential and Agricultural properties is July 31st of that year.