

For the Property Owner who wants to know...

The Assessor's duties and what they mean to you.



He first reviews all property to be assessed

He then values it...



To do this he is constantly searching . . .

. . . and digging . . .

for significant facts to accumulate and analyze in order to estimate . . . the FAIR MARKET VALUE of your property.

What is Market VALUE?

The market value of your property is simply the probable price that it would sell for in an arm's length transaction between a willing buyer and a willing seller. In Michigan, market value is defined as "True Cash Value."

Determining a property's value is the Assessor's job, and is required for every piece of property, no matter how large or small.

Also, each year the Assessor has to do the whole thing over again, because the market value of almost everything changes from one year to the next.

The Assessor is required by state law to assess at 50% of true cash value all assessable property, as of December 31. This includes homes, factories, commercial property, and personal property (machinery and equipment for commercial and industrial properties).

How Properties are Appraised?

To find the value of any piece of property, the Assessor must first gather all pertinent information in the community, such as real estate sales, construction costs, rental incomes, operating expenses, interest rates and any other factors available.

Utilizing the information collected, the Assessor can then go about finding a property's value in three different ways.

Sales Comparison Approach

The first way is to find properties like yours which have sold recently. Their selling prices must be analyzed very carefully to get at the true picture. One property may have sold for more because the buyer was in a hurry to

occupy the property and another buyer would pay less because the owner needed cash right away and took the first offer

Comparing the selling prices of properties similar to yours, the Assessor considers such over or under pricing to arrive at a fair evaluation of your property's value.

Cost Approach

The second way the Assessor values property is based on how much money it would take, at current material and labor costs, to REPLACE your property with one just like it. If your property is not new, the Assessor must also determine how much it has depreciated due to normal wear and tear or other negative factors. In addition, the Assessor must estimate how much a lot like yours would be worth if vacant.

Income Approach

The third approach, measures a property's value by its ability to generate net income. In most cases, this approach is not used for houses, unless it is used as a rental property.

Why Does the Assessed Value Change Yearly?

The assessed value must reflect 50% of market value. As market values change, so does your assessment. For instance, if you add a garage to your home, the assessed value would increase. However, should your property be permanently damaged by fire, the assessed value would decrease. Property owners have a responsibility for reporting any changes to maintain their property that would affect values. If you obtained a building permit, our office would be notified by the Building Inspector's Office.

Why Assessments go up when a Property Hasn't Changed?

Since assessments must be set by market value, changing real estate values in the community will be reflected in the assessments. Market value is a product of the price paid for property. As prices increase/decrease, so does market value.

All properties do not change in value to the same degree. Many factors influence values. Those properties with water or scenic views, for example, may well increase more rapidly than others.

How does an Increase in Assessment affect the tax bill?

Before 1994 property taxes were computed by multiplying the millage rate times the assessment. Proposal A changed that formula and protected taxpayers from rapidly increasing tax bills. Now the increase is capped at the rate of Michigan's Consumer Price Index. Taxes are now computed by multiplying the millage rate times the taxable value. Except for the properties with a prior year transfer of ownership, **an assessment increase will have no effect on the property taxes.**

What are your Rights and Responsibilities?

If your opinion of your property differs from the Assessor's, by all means, go to the office and discuss the matter. The staff will be glad to answer your questions and explain how to appeal if you cannot come to an agreement. The Assessor's Office relies on the property owner for information. You can help by providing accurate information.