

FACTS AND INFORMATION TO CONSIDER REGARDING YOUR ASSESSMENT NOTICE

- 1) Only a change in **Taxable Value** will affect your property tax bill.
- 2) The Assessed Value (also called the SEV) is supposed to reflect approximately 50% of the actual market value of your property.
- 3) The taxable value can only increase by the inflation rate (2.3% this year) except for the reasons listed below.
 - a. New construction can increase the Taxable Value.
 - b. If there was a change in ownership during 2007 the Taxable Value will uncap and will increase to the same amount as the Assessed Value in 2008. After 2008 the Taxable Value will again be capped at the rate of inflation each year as long as you continue to be the owner. (again, new construction can increase it above the inflation rate)
 - c. If the assessor discovers that a transfer of ownership took place in past years and the Taxable Value was not uncapped at that time this can also cause an increase above the inflation rate.
- 4) You cannot compare tax bills with your neighbors and expect them to be comparable.
- 5) If you wish to compare numbers, compare the Assessed Value (SEV) since this number represents the value of the property.
- 6) It is possible that the Assessed Value will go down and the Taxable Value will go up. These two numbers work independent of one another (most of the time). If the Assessed Value is higher than the Taxable Value, the Taxable Value will continue to increase by the inflation rate. The Taxable Value can never be higher than the Assessed Value.
- 7) There are many large increases in Assessed Value (SEV). This increase does not necessarily change your tax bill. Look at the change in **Taxable Value**. That number does change your tax bill.
- 8) Check to make sure you are receiving your "Homeowners Principle Residence Exemption" if you qualify. It should show as 100% towards the bottom of the page of your notice.
- 9) **If you disagree with the valuation of your property, you may appeal that value to the March Board of Review.**
- 10) Residential and Agricultural properties cannot carry your appeal to the Michigan Tax Tribunal unless you first appeal to the Board of Review.
- 11) If you do appeal to the Board of Review you must state your estimate of the market value of your property and show some kind of support for your estimate. Such as an appraisal, or sales of other similar types of properties. The fact that a property has not sold is not an indicator of value.
- 12) The Board of Review does not work for the assessor. They are simply property owners within the Township. They must make a decision based on the information that is provided to them by the taxpayer/property owner. Without supporting information they are unable to make an informed decision on the value of your property. By law, the assessment is assumed to be correct unless proven otherwise by the property owner.
- 13) **Please realize that an appeal to the Board of Review is not an appeal of your property taxes! There is no authority to appeal TAXES. The Board exists for the sole purpose of hearing appeals to the VALUE of your property. Taxes are voted and cannot be appealed. Please keep this in mind if you decide to appeal your assessment.**

Inflation Rate used in the 2008 Capped Value Formula:

The inflation rate, expressed as a multiplier, to be used in the 2008 Capped Value formula is 1.023.

Boards of Review are cautioned that they cannot make up their own inflation rate multiplier, nor should they indicate to taxpayers that they do not know how the multiplier is calculated. MCL 211.34d states in part:

(1) "Inflation rate" means the ratio of the general price level for the state fiscal year ending in the calendar year immediately preceding the current year divided by the general price level for the state fiscal year ending in the calendar year before the year immediately preceding the current year.

(f) "General price level" means the annual average of the 12 monthly values for the United States consumer price index for all urban consumers as defined and officially reported by the United States department of labor, bureau of labor statistics.

Based on this statutory requirement, the calculation for 2008 is as follows:

The 12 monthly values for October 2005 through September 2006 are averaged.(A) The 12 monthly values for October 2006 through September 2007 are averaged.(B) The ratio of B divided by A is calculated.

The specific numbers from the US Department of Labor, Bureau of Labor Statistics are as follows:

Oct-05	199.2	Oct-06	201.8
Nov-05	197.6	Nov-06	201.5
Dec-05	196.8	Dec-06	201.8
Jan-06	198.3	Jan-07	202.4
Feb-06	198.7	Feb-07	203.5
Mar-06	199.8	Mar-07	205.4
Apr-06	201.5	Apr-07	206.7
May-06	202.5	May-07	207.9
Jun-06	202.9	Jun-07	208.4
Jul-06	203.5	Jul-07	208.3
Aug-06	203.9	Aug-07	207.9
Sep-06	202.9	Sep-07	208.5
Average	200.6		205.3
		Ratio	1.023
		% Change	2.3%