

*Township authority to place a value on property for property tax purposes is a mandate of Public Act 206 of 1893 as amended, also known as the Michigan General Property Tax Law.*

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

The assessed value is the estimate of one-half of fair market value, which is calculated by the local unit of government's assessing department. The Michigan State Constitution requires the assessed value be set at this level.

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

The Taxable Value is the lower of the State Equalized Value or the capped value. The taxable value is then multiplied by the millage rate to produce the amount of tax dollars. The taxable value was created upon the passage of Proposal A, by the electorate in 1994.

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

The taxable value can increase from year to year by 5.0% or the amount of the consumer price index, whichever is less. Additions or losses to the property are also taken into consideration. The formula is the previous taxable value, minus losses, x 1.05 % or the consumer price index, whichever is less, plus any additions = Capped Value

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

The assessed value as placed by local assessing, is reviewed by the county equalization department. The equalization department may add to, subtract from, or approve it as submitted. Upon their action, it becomes the county equalized value.

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

The State Equalized Value is the result of the county equalized value being subject to review by the Michigan State Tax Commission. The Tax Commission may add to, subtract from, or approve the county equalized value as submitted. Upon their action, it becomes the State Equalized Value.

### **Property Transfer**

In the year following a sale or transfer of ownership of real estate, statutes require the removing of the value cap and the adjustment of the taxable value to that of the following year's SEV. This means that the taxable value will equal the SEV in the year following the transfer of ownership. Note, the assessor does not utilize 50% of the property's selling price as the new SEV. This is the most common misconception

regarding the uncapping of taxable values. The following year's SEV is determined by the same method as if the property had not transferred.

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

YES! Call or email the Assessor and request a copy of your property Record Card.

**What if I am unhappy with the assessed or taxable value on my property?**

Talk to your local Assessor about the valuation on your parcel. Check the appraisal records to make sure all components of the property are correct. Review your Notice of Assessment that is mailed each year near the end of February. You may lodge an appeal with your local March Board of Review (BOR). The Board of Review will hear your appeal and will make a decision using their best judgement. If you are unhappy with the BOR decision, you have the right to file an appeal with the Michigan Tax Tribunal.

**When are the assessed values for each parcel determined?**

Known as Tax Day throughout the state, December 31 is the date used, taking into consideration the status of the property and the economic conditions of the area.