

UNDERSTANDING TV | AV | S.E.V.

The AV/SEV must be re-determined annually for all properties using the Mass Appraisal Method. A property's value is set based on how the property was as of December 31st of the prior year, referred to as *Tax Day*.

Taxable Values (TV) will increase (rarely decrease) by the CPI* or 5%, whichever is the lesser of the two, *UNLESS* the current year's AV/SEV is *less than* the previous year's TV calculation. If the current AV/SEV is *lower* than last year's TV calculation, then the current Taxable Value *will be the same* as the SEV. * See CPI CALCULATIONS

Figure A.2 illustrates how a property's AV/SEV can decrease but TV still increases. (for example, if the Real Estate market declines it impacts the overall AV/SEV and because the TV is lower than the AV/SEV it increases due to the rate of inflation.

FIGURE A.2

MARKET STATUS	AV/SEV	Taxable Value
INCREASES	145,900	80,179
INCREASES	146,100	81,461
DECLINES	144,700	82,764
DECLINES	143,800	83,012

*CPI (Rate of Inflation)

The CPI (rate of inflation) is determined based on a ratio calculated from the average of two 12 month periods and the most recent information on the CPI can be found on-line at the US Department of Labor, Bureau of Labor Statistics.

The Equalization Timetable – Assessments are set based off of a 24 month sales study period and include properties that have sold between April 1st through March 31st of the last 24 months from the current tax year.

It is ILLEGAL in the State of Michigan for Assessors to set individual property assessments based off of what it sold for. We are required by law to look at a collection of sales and use the Assessor's Manual in determining our assessments. We do not visit every property every year as that would be cost prohibitive. Michigan Assessor's use the Mass Appraisal Approach to set annual assessments.

Valuation Appeals made to the Local Board of Review should include relevant sales comparison data from the time period of the sales study.

WAYS TO SAVE

Principal Residence Exemption (PRE) - Years ago this was also referred to as a HOMESTEAD exemption. Today, *HOMESTEAD* exemptions are for *INCOME* tax filing purposes and Principal Residence Exemptions (**PRE**) are for *PROPERTY* tax purposes. A **PRE** is available to those that **own and occupy** their home as their principal residence. A **PRE** exempts a property from the local school operating millage portion of a property tax bill.

PLEASE NOTE, if you currently have a Principal Residence Exemption on your property and you no longer own and occupy the property as your primary residence, you must rescind the Principal Residence Exemption with the Assessor's Office. If your property is up for sale and un-occupied, you may qualify for a Conditional Rescind Exemption.

Qualified Agricultural Property Exemption -

Property that is utilized for certain Agricultural purposes may qualify for an Agricultural Exemption, which exempts a property from the school millage portion of a property tax bill. Hobby Farms, as defined by law, are not considered Qualified Agricultural Property.

Disable Veteran's Exemption - Military Veterans that **own and occupy** their home as their principal Residence and are 100% disabled (or you are an unmarried surviving spouse of a 100% disabled Veteran), may be exempt from **ALL** property taxes. Michigan's way of recognizing their service and sacrifice for our Freedoms.

** MORE INFORMATION ON SALES / TRANSFERS

NEW Laws are in effect exempting property values from uncapping *if* transfer of the property is between *first degree blood related family members*. It is the responsibility of the buyer to file a Property Transfer Affidavit (PTA) with the Assessor's Office with-in 45 days of the property transfer to notify the Assessor of the transfer and type of transfer to avoid uncapping of the property value.

Actual Sale Price DOES NOT = True Cash Value - The law defines True Cash Value as the **usual** selling price of a property. The Legislature and the Courts have very clearly stated that **the actual selling price of a property is not a controlling factor in the True Cash Value or State Equalized Value** as calculated by the Assessor. **Foreclosure Sales** - are generally **NOT** considered as typical sales in the valuation of property for assessment purposes nor are they reliable indicators of value when making market comparisons for current assessed values or appeals.

FOR MORE INFORMATION OR FORMS PLEASE REFER TO THE FOLLOWING:

www.townshipassessing.com

OR

<http://www.michigan.gov/treasury>

We are here to serve the public. We are mandated by law to perform specific assessment duties. We are also taxpayers, which drives us to take the extra time to ensure accuracy, provide excellent service to our community members, promote understanding and education of the property assessment and taxation process and help answer questions or concerns.

Please don't hesitate to contact us:

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Phone: 231-881-4000

Forms and Correspondence can be sent to:
www.townshipassessing@gmail.com

OR

Mailed to: Township Assessor
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Kingsley, MI 49649