



SERVING THE CITIZENS OF NORTHERN MICHIGAN

Property Assessments

Let's Work Together

Charter Township of Garfield
3848 Veterans Drive
Traverse City, MI 49684
(231) 941-1620
www.garfield-twp.com

As a taxpayer in Garfield Charter Township, you are concerned about paying only your fair share of taxes for services received.

In the Assessor's office, we are responsible for estimating the market value of every property within the Township. As we estimate the value of your property, we also make every effort to assure that your assessment is equitable to similar properties. Please feel free to contact the Assessor's Office if you need assistance.

Assessment change notices are issued in February each year. You will be able to appeal your values during the first part of March. See your assessment notice for details.

Let's look at how your concern and our responsibility interact: -

It is a common misconception that our office alone determines your tax bill. This is not so. There are several different elements that enter into that formula and our office is responsible for only one of those elements:

Assessed Value: By State Statute, this is 50 percent of market value.

Market Value: This is the price an informed buyer would pay and an informed seller would accept in terms of cash for property exposed to the open market without undue pressure on either party. Valuation day is December 31 of the previous year.

State Equalized Value or SEV: This is your Assessed Value times the State Equalization Factor. This factor is typically 1.0000. Therefore, your assessed value and state equalized value are the same. This number would be something other than 1 if the level of assessment proves to be something other than 50 percent.

Mill: \$1 per thousand of Taxable Value.

The basic formula to arrive at your tax bill is as follows:

$$\text{Taxable Value} \times \text{Millage Rate} = \text{Tax Bill}$$

Taxable Value (TV): By State Statute, the taxable value is to be calculated based on the prior year's taxable value. It is last year's taxable value times the Consumer Price Index, or 5%, whichever is less. In 2011 this number was 1.7, and in 2012 it is 2.7, or a factor of 1.027.

Example:

2011 Taxable Value = \$50,000

2012 Taxable Value = \$50,000 x 1.027 or \$51,350

Like everything, there are exceptions to this rule. In this instance, the exceptions could be that a sale occurred during the previous year (say 2011 in the example above), or the property experienced new construction, or removal of buildings, or perhaps a decrease in value. Your Assessor can explain these details further.

Millage Rate: The millage rate is the total of all mills requested by various governmental entities, and approved by voters. They consist of:

- Grand Traverse County
- TBA Intermediate School District
- Northwestern Michigan College
- Traverse City Area Public Schools
- State Education Tax
- Bay Area Transportation Authority
- Library—Operating & Debt
- GT Metro Fire
- Recreation Authority
- Commission on Aging
- Medical Care
- Garfield Charter Township

For residents with a principal residence exemption (PRE), this totaled 27.4633 mills for 2011.

For properties without a PRE, (most commercial, industrial and rental properties), the millage rate was 45.4633 for 2011. For more information, see your tax bill.

Example: $\$52,200 \times .0274633 \text{ mills} = \$2,385$
(27.4633 divided by 1,000 = .0274633)

Again, there are exceptions to this; notably agricultural property, or properties used for agricultural purposes.

Principal Residence Exemption (PRE): Exemption from 18 mills of tax for school operating. On a \$100,000 home, this would save the taxpayer \$900 per year. This applies to all parcels owned that are contiguous to your residence. A form must be filed once and will stay in effect until rescinded. You are responsible to rescind if you no longer own, or occupy, the residence.

Non-Principal Residence Status: You will pay 18 mills of tax for school operating. This is paid by businesses, people owning vacant land that is not adjacent to their homestead, and other non-owner occupied properties.

Qualified Agricultural Exemption: Exemption from 18 mills of tax for school operating. Available to those who primarily use the property and buildings for agricultural use. Property does not need to be owner occupied or contiguous to an owner-occupied parcel.

These Exemptions are part of Proposal “A”, which was approved by Michigan voters in 1994. In exchange for an increase to 6 percent in the sales tax, we received a reduction in our property taxes, some as much as 40%.

Our two major goals are to arrive at an accurate market value estimate of your property, and to assure that similar properties have similar assessed values.

WHAT CAN YOU DO?

Look at the assessed value of your property. Be as objective as possible. If you believe that the market would not support the Assessor's estimate of value for your property, or that your assessment is not equitable with others, please call us.

We may ask you to support your position by offering some evidence of the value you believe to be correct, or by indicating the values of similar (comparable) properties. We may also ask to schedule an interior inspection to aid us in our review.

WHAT WILL WE DO?

When you call, we will explain how we determined the value of your property, what the values are on comparable properties and offer you whatever assistance we can.

The only issue we can address with you is the value of your property; the issue of the amount of your tax bill is not within the realm of our control. We will work with you to ensure the fair and equitable assessment of your property.

There are two sets of checks and balances in the assessment structure. The first check is at the County level. The County performs sales and appraisal studies to determine the level of assessment. It actually dictates to the assessing office the amount of increase or decrease to be spread across the township, by class, annually.

The second check is by the State Tax Commission. The State, periodically, performs sales and appraisal studies to check the County studies for accuracy.

THE ASSESSMENT FUNCTION

The Assessor's Office is responsible for discovering, listing and assigning value to every property within the jurisdiction. By law, the Assessor is required to reassess each property in the city annually. Our office monitors all sales and analyzes the local real estate market relative to economic conditions, supply and demand factors, and other influences that affect value.

The Assessor's Office has a property record card indicating ownership and sale information as well as property characteristics of every parcel in the city. The Assessor uses the characteristics of your property in connection with the analysis of the real estate market to estimate a market value, then an assessed and taxable value for your property.

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