



# Garfield

## *Charter Township*

SERVING THE CITIZENS OF NORTHERN MICHIGAN

# Understanding your property tax assessments

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

## *Duties of the Assessor*

The Assessor is responsible for discovering, listing and assigning value to every property within the jurisdiction (City). By law, the Assessor is required to reassess each property in the City annually. The Assessor's 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.

A property record card indicating ownership and sale information as well as property characteristics of every parcel in the City is maintained by the Assessor. 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.

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 the Assessor's Office is responsible for only one of those elements.

## *Assessment Terminology*

**Assessed Value:** By State Statute, this is fifty percent (50%) of market value.

**Principal Residence Exemption (PRE):** Exemption from 18 mills of tax for school operating granted for owning and occupying a home. 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 A form must be filed once and will stay in effect until rescinded.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.

**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. The tax valuation date is December 31 of the previous year for all property.

**Mill:** \$1 per thousand of Taxable Value. The basic formula to arrive at your tax bill is: Taxable Value x Millage Rate = Tax Bill

**Millage Rate:** The millage rate is the total of all mills requested by various governmental entities, and approved by voters. In Garfield Township, they consist of County, Intermediate School District, Community College, Your School District, State Education Tax, Library, Senior Millage, COA, Medical Care, Recreation Authority, Metro Fire, Bay Area Transit, and Township Millages. For residents with a PRE, this totals 27.4633 mills, for 2011.

For properties without a PRE, (most commercial, industrial and rental properties), the 2012 millage rate is tentatively 45.4633.

Example calculation with PRE:

$$\$51,600 \times 27.4633 \text{ mills} = \$1,417.10$$

Example calculation Non-PRE:

$$\$51,600 \times 45.4633 \text{ mills} = \$2,345.90$$

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

**Non-PRE Status:** If your property does not qualify for the PRE, you will be required to pay 18 mills of tax for school operating. This is generally paid by businesses, people owning vacant land that is not adjacent to their homestead, owners of second homes and other non-owner occupied properties.

**Proposal A:** In 1994, Michigan voters approved a new tax law known as “Proposal A”. In exchange for an increase to 6 percent in the sales tax, taxpayers received a reduction in property taxes, some as much as 40%.

**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.

**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.

**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 2.3%, and in 2012 it is 2.7%, or a factor of 1.027.

Like everything else, there are exceptions to this rule. The exceptions could be that a sale occurred during the previous year or the property experienced new construction, or removal of buildings. Your Assessor can explain changes to your Taxable Value for these reasons, should they occur.

**Uncapping:** The year following a transfer of ownership, the Taxable Value is raised to meet the Assessed Value of the property. This can raise the taxes on a newly purchased parcel by as much as 50%.

For example, a home is purchased in 2011. At that time, the Assessed Value is \$35,000 and the Taxable Value is \$24,359. In 2012, the Assessed Value goes up to \$37,500 and the Taxable also increase to \$37,500. The tax amount on this parcel would increase by \$360.89 with a PRE. Oftentimes, new homeowners are not aware of this and are shocked when the tax bill they receive reflects such a large increase.

## ***Role of the Assessor***

The Assessor’s primary goal is to arrive at an accurate market value estimate of your property and to assure that similar properties have similar assessed values. When you call with a question on the valuation of your property, the Assessor will explain how the value of your property was determined, what the values are on comparable properties and offer you whatever assistance is necessary in understanding all the factors used in the valuation of your property.

The only issue the Assessor 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 the Assessor’s control. The Assessor 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 Assessor the amount of increase or decrease that must be spread across each property class.

Secondly, the State Tax Commission periodically performs sales and appraisal studies to check the County studies for accuracy.

### ***Working with your Assessor***

When you receive your assessment notice, 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 contact the Assessor.

The Assessor 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.

### ***Here to answer your questions***

As a taxpayer in Garfield Township, you are concerned about paying only your fair share of taxes for services provided and received. In Garfield Charter Township we understand and appreciate those concerns.

The Assessor and staff is available to assist you with your property tax questions during normal business hours, 7:30am – 6:00pm, Monday through Thursday, and closed on Fridays. Please feel free to contact the Assessor's Office during these times if you need assistance or have questions about your property tax assessment.

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