

2010 March Board of Review FAQ's

When will my Notice of Assessment arrive?

Assessment Notices are scheduled to be mailed February 24. Normal mail delivery should have them arriving in your mailbox February 25 or 26th. This is in compliance with state statute which requires notices mailed not less than ten days before the Board of Review.

What does my Notice of Assessment tell me?

1. Identifies your property by address, parcel number and legal description
2. Provides information about Proposal A
3. Informs you what your ASSESSED VALUE was last year and this year. (This is Box 2. The amount multiplied (x) two = true cash value; what your house is worth)
4. Informs you what your TAXABLE VALUE was last year and this year. This amount is the amount used to calculate your property tax bill. (This is Box 1. This amount could be the same as Assessed Value. See "How is my Taxable Value calculated?")
5. Informs you if there "was/was not" a transfer of ownership in the last year. (This is Box 5.)
6. Informs you when the March Board of Review meets, where it meets, and that you must have an appointment.
7. Informs you of your Principal Residence Exemption percent.
8. Provides information for further appeal rights: Homeowners must appeal to the March Board of Review before they can continue on to the Michigan Tax Tribunal.
9. NEW IN 2010, an ESTIMATE of the increase or decrease in your 2010 tax bill based on the 2010 tentative taxable value.

How accurate is this newly provided approximate change in taxes on my assessment notice?

This amount is an estimate based on last year's millage rate and this year's taxable value compared to last year's billed taxes.

Could the amount of approximate change in my taxes be different than my actual taxes for the upcoming year?

Yes! 2010 millage rates are not established yet. Each taxing authority (school, county, SMART, etc) determines their millage rate each year. There may be a change. Also before the next tax bill is calculated, there could be a new millage established under state statute or put before and approved by the voters. All of these unknown factors allow us to provide only an estimate.

How does the Assessor's Office calculate my Assessed Value?

The Assessor's Office determines true cash value for your property by studying sales of homes that sold during a time frame outlined by the State Tax Commission.

What is the time period for the sales study?

Assessor's may utilize a single year (12 month) study rather than the two year (24 month) study when there is significant evidence of a declining market. Our office used the single year study; **sales occurring between October 1, 2008 and September 30, 2009.**

What sales can and cannot be used in the study?

Properties that have sold in typical arms-length transactions (a buyer and seller unknown to each other, acting independently, and agreeing to terms without pressure to do so) are used in the study.

Properties that are currently listed, but have not sold are not used.

Sheriff's deeds are not included in sales studies.

Properties that are sold at an auction sale or at a forced (distressed) sale can not be used in the study.

Can the Assessor utilize foreclosure sales?

Sales from financial institutions (after mortgage foreclosure sales) are not included in the sales study until the Assessing Office verifies the terms of the sale and the condition of the property. Strict guidelines were provided by the State Tax Commission to make this determination. Forms were developed that require the financial institutions to provide detailed information regarding the sale and the condition of the property. Information is also obtained from the buyer. Field visits may also be performed by a member of the Assessing Department. Our Assessing staff has followed the guidelines provided in State Tax Commission Bulletin 6 of August 15, 2007.

What if I just purchased the property for less than the twice the Assessed Value on my notice?

The law defines True Cash Value as the usual selling price of a property. The Michigan Legislature and Supreme Court have clearly stated that the actual sales price of a property is not the only controlling factor in the True Cash and Assessed Value calculated by the assessor. All properties must be assessed using the same valuation method used to value all other property of that same classification in the city. *Your sale price alone does not determine the True Cash Value.*

What is my Taxable Value?

This is the value which your property taxes are based on. This value is the lower of your State Equalized Value or your Capped Value. For most property owners, this value only increases by the rate of inflation each year.

Is the Capped Value shown on my Assessment Notice and how is it calculated?

The Capped Value does not appear on your assessment notice. This value is calculated as follows: last year's taxable value, plus or minus (+ or -) physical changes to the property times (x) the "rate of inflation" or 5% whichever is less. This year's formula is: 2009 Taxable Value (- physical losses to property) x CPI of .997 or -.3% (+ physical additions to property) = 2010 Capped Value.

Who provides the “rate of inflation” and does the Assessor have to use it?

This year’s inflation rate is .997 or -.3%. This is the first time since the voters approved Proposal A in 1994 that the inflation rate is a negative number. The calculation of the inflation rate is set in state statute (MCL 211.34d). All assessors in the State of Michigan must use the same rate. The State of Michigan website has a link that is very complete in explaining what it is and how it is developed. Go to www.michigan.gov/taxes and select “Property Taxes” in the left bar. Then select “Consumer Price Level (CPL/CPI) FAQ”. A copy of the State website information is also available in the Assessor’s Office.

What does it mean if there “was” a transfer of ownership in the last year?

According to Proposal A, when a property (or interest in a property) is transferred, the following year’s Assessed Value becomes the Taxable Value. This has been referred to as “uncapped”. This information is noted in box 5 on the Notice of Assessment and is explained in detail directly above the boxed area.

What does the %Exempt as Homeowners Principal Residence mean?

If you own and “occupy” the property as your principal residence and you filed a *Principal Residence Exemption Affidavit* with the Assessor’s Office, your notice will show %100.00. This exempts your property from school operating taxes of approximately 18 Mills. If you believe the % is incorrect on your notice, contact the Assessor’s Office immediately at 445-5005.

I want to appear before the March Board of Review. What should I do?

Call the Assessor’s Office @ 445-5005 to schedule an appointment. Because appointments fill up quickly, you should call as soon as possible to schedule a time that is convenient for you. Appointments are made on a first come, first served basis.

What are this years March Board of Review dates?

Tuesday	March 9, 2010	9:00 am to 5:00 pm
Wednesday	March 10, 2009	3:00 pm to 9:00 pm

What is the March Board of Review?

The Board is comprised of residents from the community that are knowledgeable of property values and are taking time off from their jobs to hear value appeals. They are not employees of the City.

How long are the appointments?

Appointments are scheduled every ten minutes. The hearing is held in a conference room. The time permitted allows you to present the board with evidence to support your property value and answer any questions they may have. No decision is made at the hearing. You will receive a letter from the Assessor’s Office usually within six weeks.

What if I cannot attend?

An appearance is required by a resident. If you cannot appear, you can appoint someone (family, friend or neighbor) to appear on your behalf. A petition that is submitted by an agent/representative must furnish a Letter of Authorization from the property owner appointing them with the property owner's original signature. Nonresidents can appeal to the Board by letter. The letter must be received by the last day the Board is scheduled to meet.

What can the March Board of Review do?

The Board can make changes to assessed value. This is the only value that the Board may address. A change may or may not affect your taxable value and future tax bill.

The Board can grant a Poverty Exemption (explained below).

What issues cannot be heard by the March Board of Review?

They cannot discuss or change values from prior years.

They cannot hear appeals of Principal Residence Exemptions.

They cannot change the calculation (rate of inflation) for the Capped Value which generally becomes your Taxable Value.

They cannot discuss your tax bill and the amounts levied by the City, School, County, etc.

What should I bring to the March Board of Review as evidence of the value of my property?

- The best evidence you can bring are sales of properties that are less than your value, that are similar to yours, and that have occurred during the sales study period (October 1, 2008 through September 30, 2009). Remember that the Board of Review will be looking for typical arms-length transactions and not sales that are distressed or forced. These sales are available at the Assessor's Office. The website, www.cityofeastpointe.net also provides transfers and the amount of consideration. Many of these transfers are not sales. You may want to do additional research at City Hall to determine if it is a sale and identify the terms.
- Properties that are listed, but have not sold, are not evidence of value.
- Bring any appraisals and closing documents from a recent purchase. The Assessing Staff will copy the documents for the Board. The Board will review the appraisal; however they must look at all sales when making a determination of value.
- Pictures of any *structural* defects that may exist on the property that may affect value. Defects that have occurred due to a lack of maintenance cannot be considered. The Board considers the value of all homes in a normal, maintained condition.

What is available if I cannot pay my taxes?

State law, policy and guidelines approved by the Eastpointe City Council provide for a **Poverty Exemption** as a method of relief for those who cannot meet their tax burden due to their financial situation.

How do I know if I would qualify for a Poverty Exemption?

Those considering a poverty exemption must own and occupy their home. There are income and asset guidelines that must be met yearly. The application requests personal information for all persons living in the home and requires supporting documentation such as Federal and State Income Tax Returns. The Board and the Assessing Staff respects the confidential nature of this information. Any relief provided by the Board of Review under the Poverty Exemption is only for the current year. Each year a new application, supporting documentation and an appointment with the Board of Review is required. Please contact the Assessing Office at 445-5005 for additional assistance.

What if I need additional information?

Please contact our Assessing Department at 445-5005 Monday through Friday, 8:30 am to 5:00 pm.