



Garfield

Charter Township

SERVING THE CITIZENS OF NORTHERN MICHIGAN



Understanding your property tax assessments

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Duties of the Assessor

The Assessor is responsible for discovering, listing and assigning value to every property within the jurisdiction (Township). By law, the Assessor is required to reassess each property in the Township 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 Township 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 for your property, 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 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 up to 18 mills of tax for school operating granted for owning and occupying a home. On a \$100,000 home, this saves the taxpayer up to \$900 per year. This applies to all parcels owned that are vacant and 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 A form must be filed once and will stay in effect until rescinded.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, Veterans, Animal Control, Conservation District, Metro Fire, Bay Area Transit, County Road Commission and Township millages. For residents with a PRE, this totals 26.9863 for 2021.

For properties without a PRE, (most commercial, industrial and rental properties), the 2023 millage rate was 44.8226.

Example calculation with PRE:

$$\$51,600 \times 26.8226 \text{ mills} = \$1,384.04$$

Example calculation Non-PRE:

$$\$51,600 \times 44.8226 \text{ mills} = \$2,312.84$$

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 up to 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% in the sales tax, taxpayers received a reduction in property taxes, some as much as 40%.

Qualified Agricultural Exemption: Exemption from up to 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 and state equalized values are the same. This number would be something other than 1 if the level of assessment proves to be something other than 50%.

Taxable Value: By State Statute, the taxable value (TV) is to be calculated based on the prior year's taxable value. It is last year's taxable value times the Consumer Price Index (CPI), or 5%, whichever is less. In 2023, the CPI was 5.0% or a factor of 1.05. The 2024 CPI is also 5.0% (1.05).

Like everything, there are exceptions to this rule. If a sale occurred during the previous year or there was new construction or demolition of buildings, the TV might increase (or decrease) by more than the CPI. Your Assessor can explain changes to your TV for these reasons if they occur.

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

For example, a home was purchased in 2023. At that time, the AV was \$85,000 and the TV was \$64,359. In 2024, the AV goes up to \$97,500 and the TV also increases to \$97,500 because of the sale. The tax amount on this parcel would increase by \$888.92 with a PRE on the uncapped value. Oftentimes, new homeowners are not aware of this and are shocked when the tax bill they receive reflects 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 three sets of checks and balances in the assessment structure.

The first check is at the local level with the Township Board of Review (BOR). The BOR listens to taxpayer protests regarding value increases of their properties. It is an informal process whereby owners can ensure their property is fairly valued.

The second review is at 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.

Finally, 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. You may also be asked to schedule an interior inspection to aid in the 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. Please feel free to contact the Assessor's Office during these times if you need assistance or have questions about your property tax assessment.