

# Newsletter

2009 Assessment Notices - Insert

## Township Assessing Office

Allan Berg, Level 3 Assessment Administrator

Jodi Berg, Level 2 Assessment Administrator

Contact Information:

Office Line: 989.734.3555

Fax Line: 989.734.9901

<http://www.assessingoffice.com>

[assessor@assessingoffice.com](mailto:assessor@assessingoffice.com)

For March Board of Review protests, you can email or fax your petitions into our office. The deadline for faxing, emailing, or regular mail is Friday, March 6, 2009. When faxing/emailing information, anything in excess of 5 pages will not be accepted.

The Board of Review will notify you in writing after their meeting is adjourned. Please allow 3-4 weeks for processing.

## IMPORTANT DATES TO REMEMBER

March 6, 2009, Deadline for Written Protests

July 31, 2009 Tax Tribunal deadline for Residential & Agricultural Real Property  
(Commercial, Industrial, & Personal is May 31, 2009)

## What is Proposal A and how does it impact me?

When Proposal A was approved, it contained two significant changes to the property tax system: The first was to cut school property taxes and the second limited how quickly individual property tax bills could increase from year to year. Proposal A stated that the value of property used to calculate property taxes could not increase each year by more than the increase in inflation, or 5 percent, whichever is less, until the ownership of the property changes.

Property owners have seen the benefit from this valuation cap for years. Each year every property owner receives a statement that indicates the property's State Equalized Value. This amount represents 50 percent of the current value of the property. The value is determined by the township's assessor, who is required to follow procedures established and monitored by the state. However, the more important number is the Taxable Value, which is the amount used to actually calculate property taxes. Any difference between the State Equalized Value and Taxable Value shows how Proposal A has limited your property taxes.

While Proposal A protected individual property owners, it has created inequities. When a house is sold, the new owner must pay taxes on the full value of the property, with the same cap on future assessment increases. This means a person who has owned the same home for the last 14 years is likely paying much less in property taxes than their neighbor who just moved in three years ago, even though both homes may be identical.

The newest fairness issue has been exposed with the falling housing market. Our state law that implements Proposal A directs that the **Taxable Value must increase by the rate of inflation any time the Taxable Value on a piece of property is less than its State Equalized Value.** This occurs even if the value of the property is decreasing. This continues until the State Equalized Value and Taxable Value are equal, at which point any further decline results in real property tax reductions. This leads to the question asked by many: Why did my property taxes go up when the value of my home just went down?

As administrators of the property tax system, the township can only point to the constitution and the decision made in 1994 by the residents of this state that a predictable property tax assessment was more important than an equitable assessment.