



City of Howell  
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## **UNDERSTANDING YOUR ASSESSMENT NOTICE**

During the latter part of February, property owners will receive a **NOTICE OF ASSESSMENT, TAXABLE VALUE, AND PROPERTY CLASSIFICATION** in the mail. Upon opening this notice, many people notice the bold print at the top that states, "THIS IS NOT A TAX BILL", which prompts them to set the notice aside.

**IT IS VERY IMPORTANT THAT YOU REVIEW THIS NOTICE.** This notice contains important information that will be used to calculate your property taxes for the 2016 tax year.

The time frame for you to appeal or correct any information in this notice is **NOW**. Once the Board of Review has adjourned, there is no further opportunity to appeal throughout the year.

The following is an explanation of each item contained in the notice. (Each explanation corresponds to the letter noted on the attached sample notice.)

- A)** The name and address section shows the name and mailing address of the owner of record as it appears on our records. If you receive this notice and no longer own the property described in this notice, please contact the City of Howell Assessor's Office. If you merely disregard this notice, we may not get the opportunity to update our information. Also, if you do not receive this notice by March 1<sup>st</sup>, please contact the City of Howell Assessor's Office.
- B)** The property identification section shows the property identification number assigned to this parcel and the property address as it appears in our records. The property address may be different than the mailing address.
- C)** This section indicates the percentage of Principal Residence Exemption (formerly Homestead Exemption) that the current owner is receiving. You must own and occupy the property described in the

notice as your principal residence, and file an affidavit with the City Assessor, by June 1<sup>st</sup> of the current year to be eligible for the exemption.

Other exemptions are indicated, if applicable.

- D)** The property classification section indicates the classification that is assigned to this parcel for assessment purposes. These class designations are used to ensure that properties are being compared to similar properties for purposes of determining assessed value. (Example: Residential sales are being used to determine residential values.) It is important to note that assessment classifications can be different than zoning classifications.
- E)** The prior year's classification indicates what the assessment classification of the property was in the prior year, if different. If the classification has been changed, this notice constitutes your notice of a classification change.
- F)** Line No. 1 indicates what the taxable value was for 2015 and what the taxable value has been determined to be for 2016. The amount in the column titled "change" **is not** the amount of change in your tax dollars to be paid in 2016. It is the change in taxable value from the previous year. The amount shown under the current year 2016 column is the amount your taxes will be based on for 2016.
- G)** This section estimates the increase/decrease in 2016 taxes based on the change in taxable value and the total 2015 millage rate. (2016 millage rates are not available at this time.)
- H)** Line No. 2 indicates what the assessed value was for 2015 and what the assessed value has been determined to be for 2016. The State of Michigan Constitution provides that the assessed value is 50% of the true cash value of the property. True cash value is the value that the property would bring in the open market. Again, the amount indicated in the change column **is not** the change in your tax dollars to be paid in 2016. It is the change in assessed value from the previous year.
- I)** Line No. 3 indicates the tentative equalization factor is 1.000. This means that assessed values are within 50% of true cash value as required. This factor is tentative until State Equalization takes place in May. In rare instances, the State may determine that assessed values are not within 50% as required and they will apply a factor other than 1.000 to bring them into compliance.

- J)** Line No. 4 indicates the State Equalized Value as tentative. Once the City has determined assessed values, the County Equalization Department and the State of Michigan review the assessment roll to determine that assessed values are indeed within 50% of true cash value as required. County Equalization takes place in April and State Equalization takes place in May; therefore, the State Equalized Value is tentative until May.
- K)** Line No. 5 indicates if a transfer of ownership took place during 2015. If a transfer took place during 2015, the taxable value (the value you pay taxes on) becomes “uncapped” under Proposal A. “Uncapped” means that the assessed value and the taxable value will be the same in the year following a transfer. It is important to note that a transfer of ownership is not restricted to a transfer including a monetary transaction. A transfer of ownership may occur upon an inheritance or a gift. When there is more than one owner, a partial transfer may also occur.
- L)** The 2016 Inflation Rate Multiplier (IRM) used to calculate 2016 taxable value is indicated here. The calculation of the IRM is set in statute and the local unit cannot use a different inflation rate multiplier
- M)** This section indicates the meeting dates and times scheduled for appeals before the Board of Review. The Board of Review schedules appointments at 15 minute intervals on the dates indicated to hear appeals from property owners. Please note that at the time of an appeal, the Petitioner (property owner or his/her agent) must provide evidence to support their contention of assessed value. To appeal “because taxes are too high” is not sufficient.
- N)** The small print items at the end of the notice provide information regarding various appeal procedures, Proposal A, and Principal Residence Exemption filing.

If, after reviewing your assessment notice, you find that an item needs further explanation or you have further questions, please feel free to contact the City of Howell Assessor’s Office. (Contact information is at the top of page 1 of this document.)