

FREQUENTLY ASKED QUESTIONS OF THE ASSESSING OFFICE

1. Why are my taxes so high?

This is the most common question asked of the assessor's office. The two components of determining taxes are taxable value and millage rates. The assessor does not determine the millage rates. The millage rates are established by each taxing jurisdiction (city, county, school, etc.) The duty of the assessor is to determine the taxable value of your property as prescribed by General Property Tax Law.

2. How are my property taxes calculated?

Taxable value times millage rate divided by 1,000 equals taxes. The current millage rates are as follows: (These amounts do not include any administrative fees or special assessments that may apply to your property).

SUMMER		WINTER	
City of Howell Operating	15.56360	County Ambulance	0.29620
City of Howell Rubbish	1.20000	Huron Clinton Metro Authority	0.21460
County Allocated	3.34840	Library Operating	1.07240
State Education Tax	6.00000	Veterans	0.11900
Howell School Operating	18.00000	Howell School Debt	3.20000
Howell School Debt	3.20000	Howell Area Fire Authority	1.48170
LESA Operating	0.0660		
LESA Debt	3.26910		
TOTAL SUMMER PRE	32.64710	TOTAL WINTER PRE	6.38330
TOTAL SUMMER NON-PRE	50.64710	TOTAL WINTER NON-PRE	6.38330
ANNUAL TOTAL PRE	39.03040		
ANNUAL TOTAL NON-PRE	57.03040		

3. What is the difference between assessed value and taxable value?

The State of Michigan requires assessed value to be 50% of the true cash (or market) value of a property. True cash value is what your property would sell for in the open market. Prior to the passage of Proposal A in 1994, taxes were calculated on the assessed value.

Since the passage of Proposal A in 1994, taxes are calculated on taxable value. Taxable value is determined by multiplying the prior year taxable value by the current year Consumer Price Index or 5%, whichever is lower. Physical changes to the property such as new construction or demolition may also increase or decrease the taxable value. In addition, taxable value cannot be greater than assessed value.

4. What is a Principal Residence Exemption? (formerly known as Homestead Exemption)

The Principal Residence Exemption (PRE) exempts you from paying 18 mills of school operating tax. You are eligible for a Principal Residence Exemption if you own and occupy your property as your principal residence on or before June 1st or November 1st of the current year. You must file a Homeowner's Principal Residence Exemption Affidavit to receive this exemption and you can only have one principal residence.

5. What is a Property Transfer Affidavit?

A Property Transfer Affidavit is required to be filed within 45 days of the transfer of ownership of property to notify the Assessor to uncapped the taxable value in the year following a transfer. This uncapping is required by Proposal A, which was passed in 1994. A transfer of property is not limited to a transfer including a monetary transaction. A transfer of ownership may occur, including but not limited to an inheritance or a gift.

6. What does “uncap” mean?

Under Proposal A, a property is “uncapped” in the year following a transfer of ownership. This means that the taxable value for the year following a transfer will be the same as the assessed value for that year. The year after the property is uncapped, increases to the taxable value will once again be limited by the Consumer Price Index or 5%, whichever is lower, unless there are physical changes made to the property.

7. Why are my taxes higher than my neighbor’s?

Under Proposal A, you and your neighbor can live in identical houses and pay a different amount of taxes. If your neighbor has lived in his home for several years and you recently purchased yours, you may pay more taxes than your neighbor due to the uncapping requirement of Proposal A. (For a more detailed example, please contact the assessing office.) When comparing your property to your neighbor’s, it is important to look at assessed values, not the amount of taxes being paid.

8. How often is my property evaluated?

The General Property Tax Law requires all properties to be evaluated each year. This does not necessarily mean that a field inspection is made of each individual property each year. Assessed values are generally determined by mass appraisal techniques. This is done by grouping similar property types together and analyzing the sales activity in those groups as well as performing field inspections on a sampling of properties within these groups. Other forms of evaluation include, but are not limited to, building permits and parcel splits and combinations. It is important that property owners periodically review their property records.

9. How is my assessed value determined?

We begin by determining land values based on sales of vacant land. Any buildings are then measured and features are noted to determine a reproduction value using the State Assessors Manual, which contains average construction costs for the State of Michigan. The resulting cost is then adjusted by a county multiplier which will adjust the average State construction costs to Livingston County construction costs. This resulting value is further adjusted by an Economic Condition Factor (ECF), which will adjust the value to the local market. The ECF is determined by analyzing local sales. This final building value is combined with the land value for a true cash (or market) value. 50% of this true cash value is the assessed value.

10. How can I appeal my assessed value?

You will receive a Notice of Change of Assessment in February of each year, which will advise you of the assessed and taxable values determined by the Assessor for your property for the current tax year. If you disagree with any of the information included on that notice, I invite you to call my office and I will be happy to review your record with you. We may be able to resolve your concerns without the need for a formal appeal. An appeal can be made to the Board of Review, which meets in March of each year to hear appeals of assessments. The dates and times of the meetings are printed on the Notice of Change of Assessment. The time frame for the Board to meet is set by the General Property Tax Act and the City Charter. Once the Board of Review has adjourned, the assessments are final until the following year. If you are not satisfied with the Board of Review’s decision, you may appeal further to the Michigan Tax Tribunal. The information for doing so is printed on the form that you receive notifying you of the Board of Review’s decision.

Please feel free to call the Assessor’s Office at 517-540-6708 if you have any further questions. I can also be reached via e-mail at jlentine@cityofhowell.org . If you have specific questions regarding your property tax assessment, I would be happy to meet with you to review your records.