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WHAT IS A PROPERTY CLASSIFICATION?

The classification of 401 indicates that the property is residential and improved...meaning that there is a building or structure of some type on the property. The classification of 402 would indicate that the property is residential in nature and vacant...without any type of structure on the property. All vacant land shows a 402 or 102 classification. The guidelines for the classification of property are clear and defined within the Michigan General Property Tax Act. One purpose of classifying property is for the Assessor to properly group properties for mass appraisal purposes.

HOW IS MY ASSESSED VALUE SET?

The traditional Assessed Value (AV) is still required to be 50% of market value. County Equalization Studies indicate the rate of increase that should be applied to each class of property each year. Recently these studies were changed using a 12 month period, where in the past, it was over a 24 month period, using actual sales within the township and comparing them to actual assessed values in the same year.

If the Assessor does not comply with the ratio indicated in these studies and does not reach the goal of 50% ratio for each class, then the township will be factored by either the County or State Tax Commission. This factor would increase each property's AV within the class that does not conform to the regulations. This new "factored" number would show up under the STATE EQUALIZED VALUE (SEV). Currently the SEV and AV are the same number. The effort of the Assessing Department staff is to ensure that these two numbers continue to match year after year.

HOW IS MY TAXABLE VALUE SET?

Sometimes referred to as "capped value", Taxable Value is still a relatively new word created and signed into law in 1994. It is now the basis for property tax levies in Michigan. In 1995, Taxable Value equaled the 1995 Assessed Value as a basis for the beginning of this Act. From that point on, the Taxable Value has increased by the CPI "rate of inflation", as determined by the State of Michigan, or 5%...whichever is less (+ any new construction) and may not exceed the Assessed Value. When the property transfers ownership, the Taxable Value is uncapped for the next year and increased to equal the next years Assessed Value.

The Assessor is required by law to increase the Taxable Value as described above.

WHAT ARE THE RESPONSIBILITIES OF THE BOARD OF REVIEW?

To review the assessment roll by individual property, ensuring data is as accurate as possible. The Board of Review may only change individual parcels, not entire groups or classes of property. In addition, the Board is also responsible to listen to taxpayer appeals, about assessed value, property classification and homestead or poverty exemptions and decide on the validity of such appeals. Please note that the State of Michigan through the General Property Tax Act guides the taxable values of properties and the Board of Review has not authority to make changes to the taxable value.

WHAT IS THE STATE TAX COMMISSION REVIEW AND HOW DOES IT AFFECT GRASS LAKE?

Since 2002, the Michigan State Tax Commission has used a 14-point review process as a mechanism to evaluate the compliance of local units with the requirements of the General Property Tax Act and the State Tax Commission rules.

More than 50 local units are chosen at random each year for this review. Grass Lake Charter Township has not yet been chosen for the review, but will, at some point, guaranteed. Grass Lake Charter Township is making an effort to bring the assessing department into compliance. The State of Michigan mandates that the Township comply with the practices of this review. If the Township is found to be non-compliant when the State does this review, it could potentially come to great cost for the Township, when eventually, the State will take over the assessment roll and bring the Township into compliance themselves.

Part of the review process for the 14 Point Review is to make sure there are updated property cards for each parcel. These record cards identify the specifics of every given parcel. Part of the effort in maintaining these cards includes measuring, sketching and photographing each property, and building on the property, for parcels that have not been done in the past, or have not recently been updated. A uniform field audit is planned to be conducted in the near future. The most current record the assessor has on file will be provided to the property owner and it will be requested that each property owner review the cards to ensure the data is accurate. Accurate assessing date is the key to providing the Township with uniform and fair property tax practices. An effort will be made to contact taxpayers by area when the uniform field audit will take place.

There are also other efforts being made internally within the Assessing Department to become compliant with the State before Grass Lake Charter Township is chosen for the 14-point review.

HOW MUCH TIME DOES THE TOWNSHIP HAVE BEFORE A STATE TAX COMMISSION REVIEW IS CONDUCTED?

No one knows. Every year the Local Units are chosen by random selection at the State level. It could be next year, it could be in 5 years, we don't know. But there is no doubt; the Township will be audited at some point.

WHAT DO THE RESULTS OF A FIELD AUDIT MEAN TO ME?

The audit will not affect your taxable value or increase your tax rates unless there is "new construction" from the past few years that has been missed and left off the assessment roll. The new assessor has already identified several properties with just such a problem. We believe that most, if not all houses left off the assessment roll have already been identified and remedied, but know there has been new construction completed and not reported.

Any interior changes that you have made to your house (except finishing off a basement) - - new dishwasher, carpet, or the like - - do not affect your taxable value; those are informational type items only. The Township is only looking to confirm the information that should already be on the record card such as square feet of each building, year built, # of bedrooms, and any land improvements such as driveways or patios things of that nature.

WHAT SHOULD I DO IF I THINK MY HOUSE OR OUTBUILDING OR "NEW CONSTRUCTION" (LIKE AN ADDITION OR DECK) HAS BEEN LEFT OFF THE ASSESSMENT ROLL?

If you believe your house, outbuilding or any new construction has not been put on the assessment roll, simply contact the Grass Lake Charter Township Assessor for verification. Township records will verify if there was any "NEW CONSTRUCTION" put on the assessment roll as a result of a building permit take out. If your house, barn or addition has been left off the assessment roll, Michigan law dictates it must be put on immediately. The homeowner needs to be aware that this correction *will* increase their taxable value.

SHOULD I CONTACT THE TOWNSHIP ASSESSOR OR WAIT TO SEE IF MY HOUSE, OUTBUILDING OR NEW CONSTRUCTION IS FOUND BY THE AUDITOR?

If you come to the Township to report your house, outbuilding or new construction might have been left off the assessment roll, the Assessor will

add this oversight to the current assessment and tax rolls only and move forward from there.

If you decide no to inform the Township of your house, outbuilding or new construction and it is found by the Field Auditor, the Assessor will be obligated to put the correction on the assessment roll and tax rolls as "New Construction: for the "current" year and also for the 2 previous years.

In conclusion, it is the responsibility of the Township's State Certified Assessor to *Identify, List and Value* each parcel within the Township fairly and consistently using interpretation of the US & Michigan Constitutions and Michigan Tax Administration Laws; the most important resource being the "Michigan Compiled Laws" which includes all Michigan statutes, as well as those dealing with taxation of personal and real property.

Should there be an unresolved appeal by a taxpayer to the assessor of the interpretation of an applicable statute or application of the statute, he/she can file a protest to the Board of Review and then the Michigan Tax Tribunal, after which the taxpayer, or the assessor may file an action in the Court of Appeals, within their constitutional limitation.

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