

Township Assessor

Sara Bizon, Assessor

Phone Number: 231-301-8045 (Landline)

The Assessor is available by phone (Monday – Thursday: 9:00 am – 4:00 pm) , email zoning@claybankstowship.org or appointment as needed.

ASSESSING OVERVIEW

Assessing property is conducted all year. The State Tax Commission has requested that 20% of the Township be revisited every year. If the Assessor visits your property and you are not home the Assessor may leave a door hanger informing you that they have been there. **There isn't anything that you need to do.** It is just letting you know that we were there measuring the buildings, decks, etc.

During the year the Board of Review meets three times.

The first time is in March and it is for the current year only. At this board meeting the public can present their case if they feel that their property is not being valued correctly. Before you go to the Board of Review please contact the assessor to see if the issue can be resolved. The March Board of Review meeting is by appointment only, so please contact the Assessor for an appointment day and time.

The second and third meetings for the Board of Review are held in July and December. These meetings are for clerical errors and mutual mistakes of fact along with Principal Residence Exemptions.

Commonly Asked Assessing Questions

PROPERTY ASSESSMENT

Q. What is Market Value?

A. The market value of your property is simply the probable price that it would sell for in an arm's length transaction between a willing buyer and willing seller. In Michigan, market value is defined as "true cash value." This is the valuation process because the market value of almost everything changes from one year to the next. Every assessor is required by state law to assess at 50% of true cash value all assessable property as of December 31. This includes homes, industrial facilities, commercial properties, and vacant land.

Q. What is State Equalized Value?

A. State Equalized Value equals 50% of Market Value or True Cash Value.

Q. What is the formula for Capped Value?

A. Capped Value equals last year's Taxable Value increased by the amount of Consumer Price Index (CPI) with a maximum of 5% plus construction changes.

Q. What is Taxable Value?

A. Taxable Value is the lesser of the State Equalized Value (SEV) and Capped Values. The Taxable Value is the value used for the calculation of property taxes.

Q. What does "PRE" (Principal Residence Exemption) mean?

A. A Principal Residence Exemption (PRE) exempts a residence from the tax levied by a local school district for school operating purposes up to 18 mills.

Q. How do I qualify for a PRE?

A. To qualify for a PRE, a person must be a Michigan resident who owns and occupies the property as a principal residence. The PRE is a separate program from the Homestead Property Tax Credit, which is filed annually with your Michigan Individual Income Tax Return.

Q. Where can I obtain a PRE Affidavit?

A. The Principal Residence Exemption (PRE) Affidavit, Form 2368, and other principal residence exemption forms may be obtained from the Assessor or on the Claybanks Township's website.

Q. Property values have been decreasing; will my property valuation be decreasing as well?

A. Unfortunately, there isn't a yes or no answer to that question. If you've owned your property for a significant amount of time, more than likely your State Equalized Value (SEV) far exceeds your Taxable Value. If this is the case, a decrease in valuation, caused by a slow real estate market, will be reflected in your SEV. The taxable value is required by the Michigan Constitution to increase each year by the rate of inflation or 5%, whichever is lower. In the case of a longtime property owner, SEV could decrease, while the Taxable Value will continue to increase.

Q. If the SEV decreases, will I pay more or less in property taxes?

A. Your property taxes are based on the Taxable Value, rather than the SEV. So, in the previous scenario, you would pay more in taxes even though your SEV decreased.

Q. Why won't my property taxes decrease if my property value is going down?

A. Proposal A which was passed by voters in 1994, allowed residents to pay property taxes on less than half of their market value by "capping" the Taxable Value, while still allowing the

assessor to determine the market value by adjusting the SEV.

This has caused, for many long-time property owners, a great disparity between the SEV figure and the Taxable Value figure. The assessor can reduce the SEV to reflect the change in property value, but if the Taxable Value is still well below the SEV it will keep increasing until the two figures meet. Since property taxes are based on Taxable Value, you will end up paying more in property taxes.

Q. Can my Taxable Value ever become “uncapped” as long as I own the property?

A. The only way the Taxable Value can be uncapped is when the property is sold or transferred to a new owner.

Q. Will my property taxes ever go down?

A. If a property's SEV decreases each year, it will eventually meet the Taxable Value. The law states that the Taxable Value can be equal to, but cannot exceed the SEV. So, when this happens, a decrease in SEV will cause decreases in Taxable Value, which in turn lowers your property tax bill. Due to the gap between the SEV and the Taxable Value figures, it would take several years of depressed market conditions to make the SEV and Taxable Value equal. If you happen to be a property owner who purchased a property within the last few years and you have decreasing property value, the SEV and Taxable Value figures could meet sooner than someone who has owned the property for a long period of time.

Q. Why isn't my new assessment 50% of my purchase price?

A. The simple answer is that it is against the law. MCL 211.27 states that the purchase price is no longer the presumptive True Cash Value of a property. The assessment may be close to 50% of the purchase price but is determined by investigating the other sales in the area of the property and all of the SEV are set using that sales study.

Q. Can I appeal my assessment and when?

A. By law, the only time you may appeal your assessment is after you have received the Change of Assessment notice typically in March of every year. Once you have received the subject notice, you may contact the Assessor's office and make an appointment to file a petition for appeal. A petition for appeal to the Board of Review may be obtained from the Assessor or on the Claybanks Township's website.

Q. Who reviews my petition for appeal?

A. All petitions are reviewed and approved/denied by the Claybanks Township Board of Review.

Q. Are the Board of Review decisions permanent?

A. No. The decisions are only binding for the current tax assessment year.