

Property Assessment and Taxable Value

Understanding Your Property Assessment and Taxable Value

The following is a brief explanation of how your Assessed and Taxable Values work.

The Assessor's Office spends a considerable amount of time analyzing actual sales that have occurred over the past year in order to estimate property values as of December 31, 2011. A 24 month sales study, as required by the State Tax Commission, has been used to establish the proposed assessed values for 2012. The 24 month sales study covers a period from October 1, 2009 to September 30, 2011.

In February of 2012, property owners will receive a Notice of Assessment, Taxable Valuation, and Property Classification. If you haven't received one in the mail, please contact our office. The Notice provides the property owner with pertinent information regarding their property. There are three important areas for review.



- The Notice provides the 2012 valuations, the 2011 valuations and the amount of change.
- The document will show if the property's taxable value was "uncapped" as a result of an ownership transfer. The Notice will indicate whether there "was" or "was not" a change of ownership of the property during 2011. If there was a transfer of ownership, the taxable value will "uncap" and be the same as the Assessed Value.
- The Notice will indicate the percentage of the property being used as a Principal Residence. If you own and occupy the property as your principle residence, the percentage indicated should be 100%. Property owners are encouraged to review each of these areas for accuracy. Please contact the Assessor's Office if you should have any questions or concerns.

If the property owner is in disagreement with the valuations on the Notice, they may appeal to the March Board of Review. The meeting dates are listed on the Notice. **Valuation disputes must be heard by the March Board of Review.** Listings of unsold homes and sales occurring in 2012 will not be considered by the March Board of Review in estimating value on December 31, 2011. Please feel free to contact the Assessor's Office for more information.

Assessed Value represents 50% of the estimated property value for 2012. Taxable Value is a mathematical formula which is based on the preceding years Taxable Value increased or decreased by the **Inflation Rate Multiplier (IRM)**. The 2012 IRM for the entire State has been determined to be **1.027** (1.017% for 2011) and is applied by each municipality. In addition to the IRM, Taxable Value may also increase for physical additions or decrease for physical losses. During 2012, the appropriate millage rates will be multiplied against the 2012 Taxable Value to determine the 2012 property taxes.

The following examples illustrate how the Taxable Value can change independently of the Assessed Value. If a homeowner has owned their home since the Constitutional Amendment, known as Proposal A passed in 1994, they could receive 2011 & 2012 values as follows:

	Assessed Value	Taxable Value
2011	\$200,000	\$160,000
2012	\$200,000	\$164,320 (increase x 1.027 IRM)

The previous example shows that Assessed Values can remain the same, while Taxable Values show an increase. This is a function of the statute. Taxable Value can never be higher then the assessed value.

The March Board of Review does not have the authority to change Taxable Value unless a reduction is made to the assessment that would affect the taxable value.

Again, Notices of Assessment, Taxable Valuation, and Property Classification are mailed to all property owners of record in February. The IRM percentage is printed on the Notice. Please review the Notice carefully by checking mathematical calculations, principle residence exemption percentage and transfer of ownership information. Board of Review and assessment information will be broadcast on cable channel 13 periodically during February and March. Should you have any questions or concerns about your Notice, feel free to contact the Assessor's Office at 248-347-0485 or [email the Assessing Department](#).

D. Glenn Lemmon, City Assessor