

City of Frankenmuth

www.frankenmuthcity.com

Assessment Information Highlights

Assessment change: Residential +.04%, Commercial + 12.18%,

Industrial +2.1%,

Taxable increase is 2.3%.

Board of Review Dates/ Times:

Monday, February 25 & Tuesday, February 26, 2007 at

Frankenmuth City Township Government Center

12:30 p.m. to 6:30 p.m. both days.

Call 652-9901 for appointments by Friday February 22.

Appointments are encouraged.

Without appointment it is first come first serve.

Q & A? How does this affect my tax bill?

Your tax bill is calculated using **TAXABLE VALUE** not **ASSESSED VALUE**. Voters, in 1994, approved Proposal A which stated that your Taxable Value can only increase by the Consumers Price Index (CPI) or 5% whichever is less. For 2007 your Taxable Value can only **increase by .023 or 2.3% (CPI)** this assumes no new construction or improvements to your property or transfer of ownership has occurred. This inflation rate is determined by the Michigan State Tax Commission and is used statewide.

Can my Taxable Value can go up and my Assessed Value can go down? YES! The Taxable Value is just a calculated number based on the previous years Taxable Value. The CPI change for the current year is multiplied by your previous year Taxable Value number plus any additions to your property to arrive at the new Taxable Value. The Assessed Value number must mirror 50% of market value and

unless there has been a transfer in ownership, there is no correlation of this number to your Taxable Value number. However, your Taxable Value number can **NEVER** be more than your Assessed Value.

Municipal Assessing

The authority of municipal governments to levy taxes arises from the State of Michigan Constitution. In 1896, the State Legislature passed the General Property Tax Law which addressed taxation by property taxes (this law has been amended numerous times since its original adoption). All property in the State of Michigan is taxable unless specifically exempted by law. In order for each municipality to comply with the General Property Tax Law, a Tax Assessor must be appointed. It is the Assessor's duty to establish the true cash value for each property within his/her jurisdiction. Assessments are calculated using State approved rates and

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guidelines and must not exceed 50% of true cash value.

Assessors are certified by the State of Michigan. The City of Frankenmuth is mandated to have and has a Level III certified assessor.

We encourage you to review your assessment card prior to the Board of Review to assist us in improving the accuracy of the information. City Hall office hours are Monday to Friday 8:30a.m. To 5:00p.m. Or log on to our WEB site www.frankenmuthcity.com, click on the Assessing tab to find this information.

Assessment Process:

Municipalities are required to have an assessment record card on file for all properties. This information has been entered into a State of Michigan approved assessment software program which then annually re-calculates new assessment and taxable values.

Additionally, Saginaw County conducts annual sales study analysis for each class of property. The results for the Residential class conclude an assessment to sales ratio of 49.80%. The State requires a 49.00% to

51.00% range be met. **The study indicates that an minimal overall .04% increase is necessary.** The sales activity was then analyzed by neighborhoods and a factor assigned to each area reflecting the actual activity within your neighborhood. The particular change in your assessment is a result of sales activity within your area.

The Sales Study of the Commercial Class indicated a 44.57% assessment to sales to ratio. **The study indicates that an overall 12.18% increase is necessary.**

The Sales Study of the Industrial Class indicated a 48.97% assessment to sales to ratio. **The study indicates that an overall 2.18% increase is necessary to get assessments into the mandated range.**

How can my assessment go up while homes are not selling?

In 2007 there were 68 valid residential sales transactions within the City of Frankenmuth. Of that total, 27 or 40% of the properties sold for less that twice their assessed value, but that leaves 41 or 60% of the properties which sold for more than twice their assessed value. Homes sales are slow and are on the market for a much longer period of time to get your desired price, but there still are home sales out there.

John P. Deterding
City Assessor

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