



# City of Frankenmuth

[www.frankenmuthcity.com](http://www.frankenmuthcity.com)

## 2010 ASSESSMENT INFORMATION HIGHLIGHTS

Assessment change- Residential: (6.2%) decrease

Commercial: No change, Industrial: +7.0% increase

TAXABLE VALUE CHANGE IS (.3%) DECREASE

### BOARD OF REVIEW DATES / TIMES

Monday, February 22 & Tuesday, February 23, 2010 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 19<sup>th</sup>.

Appointments are encouraged. Without appointment it is first come first serve.

◀ Inflation rate used in the calculation of taxable value change is NEGATIVE, first time ever!

◀ 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 2010 your Taxable Value will decrease by .3%. This assumes no new construction or improvements to your property or transfer of ownership has occurred.

Your taxable value can NEVER be more than your assessed value. If your assessed value fell greater than the .3% then you taxable value will also fall accordingly.

This inflation rate is determined by the Michigan State Tax Commission and is used statewide. The following excerpt from the State Tax Commission Bulletin No. 10 of 2009 describes how this is calculated: Values are for the United States Consumers Price Index for all urban consumers as defined and officially reported by the United States Department of Labor, Bureau of Labor Statistics.

1. The 12 monthly values of October 2007 through September 2008 are averaged.
2. The 12 monthly values of October 2008 through September 2009 are averaged.
3. The ratio is calculated by dividing the average of October 2008-September 2009 by the average of October 2007-September 2008 numbers. Since the inception of Proposal A, this is the first decrease in the inflation factor.

For a copy of the specific bulletin, please contact City Hall.

◀ Assessment Sales Study

Historically, the State of Michigan requires a two year sales study be conducted unless the local assessor can demonstrate that the one year study is most appropriate. The State Tax Commission issued Bulletin No. 9 of 2009 which orders the use of a single year sales study for the 2010 assessments unless the County Equalization department presents compelling evidence to support the use of a two year study. For the City of Frankenmuth, a one year sales study was performed using sales from October 1, 2008 to September 20, 2009. The results of

this one year study for the Residential class concluded an assessment to sales ratio of 53.32%. This means that the **residential class as a whole requires a decrease of 6.2%** to get down to the required ratio range of 49.00% to 51.00%. This one year sales activity was then analyzed by neighborhoods and a factor was assigned to each area reflecting the actual activity within your neighborhood. Most neighborhoods saw a decrease, some greater and some lesser than the average for the class as a whole. The particular change in your assessment is a result of sales activity within your area.

Similarly, sales or appraisal studies were conducted for the Commercial class (49.17) and the Industrial class (46.70) which required no change for the commercial class and a 7.0% increase in assessed value for the industrial class.

## 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 and certified. 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 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 record 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 at [www.frankenmuthcity.com](http://www.frankenmuthcity.com), and click on the Assessing tab to find this information.**

## ASSESSMENT PROCESS

Municipalities are required to have an assessment record 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.

## CITY TREASURER

**Will my taxes go down for 2010?** If your taxable value decreases and the millage rates levied by the jurisdictions stay the same, your 2010 tax bills will decrease.

The City of Frankenmuth is anticipating an overall revenue loss for fiscal year 2010-11. This is a result of not only from less property taxes but also reduced State Shared Revenues. The City has implemented cost savings ideas which we hope does not have a major impact on services to the public. The City Council, Management and the employees are committed to providing you the best possible municipal services with the resources available. If anyone has any ideas for cost savings, please contact city hall.

John P. Deterding  
*City Assessor/Treasurer*