



City of Frankenmuth

www.frankenmuthcity.com

2012 ASSESSMENT INFORMATION HIGHLIGHTS

Assessment change - Residential 5% decrease, Commercial 6% decrease,
Industrial 8% decrease

TAXABLE VALUE CHANGE IS +2.7% INCREASE

BOARD OF REVIEW DATES / TIMES

Monday, February 27 & Tuesday, February 28, 2012 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 24th.

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

◀ Assessment Sales Study

Historically, the State of Michigan requires a two year sales study be conducted, however the State Tax Commission ordered the use of one year sales study for the 2012 assessment year. For the City of Frankenmuth this study was performed using sales from October 1, 2010 to September 30, 2011. The results of this study for the Residential class concluded an assessment to sales ratio of 52.59%. This means that the **residential class requires a decrease of 5% to the assessed value for the class as a whole.** The study results came in above the required ratio range of 49.00% to 51.00%. This sales activity was then analyzed by neighborhoods and a factor was assigned to each area reflecting the actual activity within your neighborhood. As a class as a whole there was a 5% decrease, however some neighborhoods based on sales saw reductions in assessed value more or less than the average for the group as a whole **The particular change in your assessment is a result of activity within your area.**

Similarly, sales or appraisal studies were conducted for the Commercial class (53.07) and the Industrial class (54.27) which also required reductions in their assessments

◀ Inflation rate of 2.7% used in the calculation of taxable value change.

◀ 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 2012 your Taxable Value may increase by a maximum of 2.7%. 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. 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. 14 of 2011 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 2009 through September 2010 are averaged.
2. The 12 monthly values of October 2010 through September 2011 are averaged.
3. The ratio is calculated by dividing the average of October 2010-September 2011 by the average of October 2009-September 2010 numbers. For a copy of the specific bulletin, please contact City Hall.

◀Can my Taxable Value go up while my Assessed Value goes down? YES!

That just doesn't make any sense! The Taxable Value is a calculated number based on the previous year's 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 however 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. However, your Taxable Value 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 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 certified Michigan Advanced Assessing Officer.

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**, 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 2012? If your taxable value decreases and the millage rates levied by all the jurisdictions stay the same, your 2012 tax bills will decrease.

The City of Frankenmuth is anticipating an overall revenue loss for fiscal year 2012-13. 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