

City of

Frankenmuth

Michigan's Little Bavaria
Phone: (989) 652-9901
240 W. Genesee Street
Frankenmuth, MI 48734
www.frankenmuthcity.com



2017 ASSESSMENT INFORMATION HIGHLIGHTS

Assessment change – Residential **+6.95% increase**, Commercial **+ 0.97% increase**,
Industrial **+1.67% increase**

TAXABLE VALUE CHANGE IS +0.9% INCREASE (last year was 0.3%)

Assessment Sales Study

The State of Michigan requires a two year sales study be conducted. For the City of Frankenmuth this study was performed using sales from October 1, 2014 to September 30, 2016. The results of this study for the Residential class concluded an assessment to sales ratio of 46.76%. This means **that the residential class requires an increase of 6.95% to the assessed value for the class as a whole.** 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 an 6.95% increase, however some neighborhoods based on sales saw changes 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 (49.50%) and the Industrial class (49.18%) which required adjustments to their assessments also.

Inflation rate of 0.9% 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 2017 your Taxable Value may increase by a maximum of 0.3%. This assumes no new

BOARD OF REVIEW DATES / TIMES

**Monday, February 27 and
Tuesday, February 28, 2017**

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.**

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. 11 of 2016 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 2014 through September 2015 are averaged.
2. The 12 monthly values of October 2015 through September 2016 are averaged.
3. The ratio is calculated by dividing the average of October 2015-September 2016 by the average of October 2014-September 2015 numbers. **For a copy of the specific bulletin, please contact City Hall.**

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

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 will 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 (3).

*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. - 5:00p.m. Or log on to our website 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 up or down for 2018? If your taxable value decreases and the millage rates levied by all the jurisdictions stay the same, your 2018 tax bills will decrease. However, if your taxable value increases, then your 2017 tax amounts will go up.

The City of Frankenmuth is constantly attempting to provide the tax payer with the best value for your tax dollars paid. With State revenue challenges along with personal property exemptions makes this a difficult task. The State of Michigan exempted all business personal property of \$80,000 or less in true cash value beginning in 2014 which has had a negative impact on the revenue stream to the City. The City has and continues to 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.