

CITY OF OAK PARK ASSESSOR'S OFFICE

FREQUENTLY ASKED QUESTIONS

What is “Assessed Value”?:

The Michigan Constitution requires that property be uniformly assessed at 50% of its true cash (market) value. The Assessor's Office estimates your Assessed Value based on a study of sales of homes similar to yours during the time frame as outlined by the State Tax Commission. Every property receives a new Assessed Value each year regardless of whether or not the home has sold. A property's taxable status is determined as of December 31, which is called Tax Day.

What is “Taxable Value”?:

The amount upon which your property taxes are levied. Taxable Value is capped and can only change by the rate of inflation each year, unless a property has had a Transfer of Ownership in the prior year, or had physical changes (see below). In no case can your Taxable Value *exceed* your Assessed Value.

How Does a Property Transfer Affect My TAXABLE Value?:

If a property has a Transfer of Ownership *this* year, then *next* year the Taxable Value is uncapped and made to match the Assessed Value. In many cases, this results in an increase in the property taxes, oftentimes by a substantial amount. How much the taxes increase will depend upon how long it has been since the previous transfer of ownership occurred and how much the market has changed during those years.

How Does a Property Transfer Affect My ASSESSED Value?:

It doesn't. As mentioned above, **each home gets a new Assessed Value each year whether it has sold or not, and that Assessed Value is based on our study of all sales of homes similar to yours within your area of the city – it is not simply based on how much you personally paid for your house.**

How Do Physical Changes Affect My Assessed & Taxable Values?:

50% of the estimated market value of certain physical changes to your property will be added to your Assessed & Taxable Values. Common Changes: Adding a deck or patio, adding a garage or shed, adding central air, etc.

How are My Property Taxes Calculated?:

Your Taxable Value is multiplied by the Tax Rate to determine your Property Taxes. Tax Rates change from year to year and vary depending upon which School District you live in and whether or not you are receiving a Homeowner's Principal Residence Exemption. The Tax Rate has several components, such as: City, County, Local Schools, Intermediate Schools, Community College, State Education, and Public Transportation Authority.

What is a Homeowner's Principal Residence Exemption?:

This is an exemption from 18 mills of School Operating tax, which significantly reduces the homeowner's tax burden. To be eligible, you must be both the owner of the home AND occupy it as your principal residence. Additionally, you must have a valid Homeowner's Principal Residence Exemption Affidavit on file with the Assessor's Office. (Formerly known as Homestead Exemption Affidavit) This form is provided to buyers at the time of closing, and is also available at the Assessor's Office. Note: Under Michigan law, if you own more than one home, you can only claim this exemption on ONE of them – the one you occupy as your principal residence.

How does the "Homeowner's Principal Residence Exemption" differ from the "Homestead Property Tax Credit"?:

The Homeowner's Principal Residence Exemption is a reduction in the *tax rate*, which causes your taxes to be *billed at a lower amount*. The Homestead Property Tax Credit on the other hand, is a part of your Michigan Income Tax Return, which, dependent upon your income, *refunds* a portion of your property taxes after the fact.

What is a "Mill"?:

The term "mill" refers to \$1 in property taxes for every \$1,000 of a property's taxable value. For example, if the total annual tax rate is 50 mills, you will pay \$50 in property taxes for every \$1,000 of your home's taxable value.

When are My Property Taxes Due?:

Summer taxes are billed on July 1st and due by August 31st. Winter taxes are billed on December 1st and due by February 14th.

What should I do with the "Notice of Assessment & Taxable Valuation" which the Assessor's Office mails to me each February?:

Review all the information it contains and *keep it* for use in preparing your income tax return *next* year. If you have any questions regarding this notice, your property values, etc., contact the Assessor's Office for assistance. If you are still not satisfied, and wish to appeal your values, you can schedule an appointment with the March Board of Review. Please note, under Michigan law, *the March Board of Review is the only opportunity for residential property owners to appeal their property's values for the year.*

Is Assessing Information Available On-Line?:

Yes, property assessment and tax information is available on the City's web site at:

<http://www.ci.oak-park.mi.us>