

**DAFTER TOWNSHIP
3029 W 10 MILE RD
2025 MARCH BOARD OF REVIEW
ORGANIZATIONAL MEETING
TUESDAY, MARCH 4th, 2025
MINUTES**

1. OPEN THE MEETING

CALL TO ORDER BY **ANDERSON** AT 5:30 PM.

2. ROLL CALL

ROBERT BROWN-	SUPERVISOR
TINA FULLER -	ASSESSOR
Open Position-	
JACK SCOTT -	<u>PRESENT</u>
FLORENCE ANDERSON-	PRESENT

3. ELECT CHAIRPERSON

MOTION BY **SCOTT** TO ELECT **ANDERSON**
SECOND BY **ANDERSON**
VOTE AYES
Motion Carried

4. ELECT A SECRETARY

TOWNSHIP SUPERVISOR WILL BE PRESENT

5. PUBLIC COMMENT: NONE

6. DISCUSSION

Questions concerning the STC training session- board should offer suggestions to improve the next year's session

7. SET WORK SESSIONS

As needed- to be determined.

8. REVIEW THE ROLL

The assessor presented and explained changes made to the 2025 assessment rolls.

9. ACCEPT THE ROLL

MOTION BY **ANDERSON** TO ACCEPT THE ASSESSMENT ROLLS
SECOND BY **SCOTT**
VOTE AYES
Motion Carried

11. PUBLIC COMMENT: None

13. MOTION TO RECESS

MOTION TO ADJOURN **ANDERSON** AT 5:55PM.
SECOND BY **SCOTT**
VOTE ALL AYES
Motion Carried

DAFTER TWP.

TO ESTIMATE 2025 TAX BILL MULTIPLY TAXABLE VALUE (TV):

2025 HOMESTEAD TAXABLE VALUE BY

SSM .0236267
RUDYARD .0258267
BRIMLEY .0246767

OR

2025 NON-HOMESTEAD TAXABLE VALUE BY

SSM .0416267
RUDYARD .0438267
BRIMLEY .0426767

INFLATION RATE MULTIPLIER IS: 1.031 (Capped Value)

HOW TO READ YOUR ASSESSMENT CHANGE NOTICE

Every year at the end of February you will receive a form like this explaining the changes in the Assessed and Taxable value of your property. What do all these numbers mean? Keep reading for a quick review.

IF THIS IS NOT A TAX BILL, WHAT IS IT?

This is an Assessment Notice. It indicates what the local assessor determines your property is worth and how much of that value is taxable. It does not indicate what your taxes will be for this year.

ARE YOU SAVING AS MUCH AS YOU CAN?

If this property is your primary residence, it should qualify for an exemption that would save you a significant amount on your taxes. If the exemption has been filed correctly, your bill will say your home is 100% exempt as "Homeowners Principal Residence". If you believe you are eligible for this exemption, but the notice does not say you are exempt, please contact your local assessor. If the property is farmland, it can qualify for the same type of exemption under "Qualified Agricultural Property". Questions regarding exemptions should be directed to your local assessor.

WHAT YOUR PROPERTY IS WORTH AND HOW MUCH WILL YOU PAY TAXES ON?

This is the most important section of this notice. The Assessed Value is approximately one half of what the State calculates your property is worth in a specified year. The Taxable Value is the amount that your taxes are calculated on. If you have owned your home for more than a year, the Taxable Value should be less than the Assessed Value. The gap between these two numbers will continue to grow the longer you own the property. Taxable and Assessed will be the same the year after you buy a property.

HOW CAN I APPEAL THE VALUES OF MY PROPERTY?

The last section of this form gives you the information for the March Board of Review. If you would like to appeal the values of your property please attend the March Board of Review at one of days and times listed here. Often written appeals can be mailed to the Assessor before the given deadline.

THIS IS NOT A TAX BILL Notice of Assessment, Taxable Valuation, and Property Classification

This form is issued under the authority of P.A. 203 of 1994, P.A. 211, 24 103 and 204, 211, 241, 242, as amended. This is a printed assessment notice to be used by the local assessor.

FROM: TOWNSHIP ASSESSOR		PARCEL IDENTIFICATION	
ASSESSOR ADDRESS		PARCEL NUMBER	YOUR PARCEL #
ASSESSOR ADDRESS		PROPERTY ADDRESS	
ASSESSOR ADDRESS		PROPERTY ADDRESS	
OWNER'S NAME & ADDRESS/PERSON NAMED ON ASSESSMENT ROLL			
HOMEOWNER		PRINCIPAL RESIDENCE EXEMPTION	
MAILING ADDRESS		100.00%	
		% Exempt As "Homeowners Principal Residence"	
		.00%	
		% Exempt As "Qualified Agricultural Property"	
		.00%	
		% Exempt As "1987 Incentival Parcel"	
		.00%	
		% Exempt As "1987 Commercial Parcel"	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Exempt As "Qualified Forest Property"	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
		Exempt As "Development Property"	
		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
LEGAL DESCRIPTION OF PARCEL			
LEGAL DESCRIPTION OF PARCEL			
ACCORDING TO MCL 211.34c THIS PROPERTY IS CLASSIFIED AS: 102 Agriculture			
PRIOR YEAR'S CLASSIFICATION: 102 Agriculture			
The change in taxable value will increase/decrease your tax bill for the 2025 year by approximately:			
333		CURRENT TENTATIVE AMOUNT YEAR 2025	
1. TAXABLE VALUE:		46,328	
2. ASSESSED VALUE:		197,600	
3. TENTATIVE EQUALIZATION FACTOR:		1.000	
4. STATE EQUALIZED VALUE (SEV)		197,600	
5. There WAS or WAS NOT a transfer of ownership on this property in 2024		WAS NOT	
6. Assessor Change Reason:		Market Adjustment	
Market Adjustment		CHANGE FROM PRIOR YEAR TO CURRENT YEAR	
		47,764	
		232,900	
		35,300	
		35,300	

The 2025 Inflation rate Multiplier is: 1.031

Questions regarding the Notice of Assessment, Taxable Valuation, and Property Classification may be directed to the following:

NAME:	ASSESSOR	Phone:	(123) 456-7890
Local Address:	ASSESSOR E-MAIL		
March Board of Review Appeal Information. The board of review will meet at the following date and time:			
INFORMATION NOTIFYING YOU OF THE LOCATION, DATES AND TIMES OF YOUR TOWNSHIP MARCH BOARD OF REVIEW. THIS IS WHERE YOU CAN APPEAL ANY OF THE DETAILS OF YOUR PROPERTY. OFTEN WRITTEN APPEALS CAN BE MAILED TO THE ASSESSOR BEFORE A DEADLINE DATE AND TIME.			

What Is Landlocked?

Landlocked in the context of real estate refers to a piece of property that is inaccessible via public thoroughfare, except through an adjacent lot. A vacant lot that is located behind a strip mall and can only be reached by walking through the mall qualifies as this type of lot. Landlocked property is locked up, meaning it's surrounded by other property.

KEY TAKEAWAYS

- Landlocked in the context of real estate refers to a piece of property that is inaccessible via public thoroughfare, except through an adjacent lot.
- Landlocked property is locked up, meaning it's surrounded by other property, and only accessible through the property that surrounds it.
- Landlocked parcels are typically the result of subdivisions or the division of a larger parcel of land into smaller parcels, which are sold off individually.
- Owners of a landlocked property can obtain an easement, which grants the right to cross over neighboring land to access the public road.

PROPERTY ASSESSMENT AND TAX BASICS

How Homes are Assessed in Michigan

In Michigan, real property, which consists of land and all its improvements (such as a house), is assessed based on its True Cash Value (TCV).

True Cash Value refers to the "usual selling price" that a property would bring at the time of assessment, which is the price it could obtain at a private sale. However, it excludes certain situations like forced sales and public auctions, among other specific exclusions.

Unfortunately, this brief definition often causes some confusion between TCV and the more familiar Fair Market Value (FMV), especially for property owners in Michigan.

The Difference Between True Cash Value and Fair Market Value

While they may seem to be describing similar things, True Cash Value (TCV) is not the same as Fair Market Value (FMV).

Fair Market Value is used primarily when buying and selling residential real estate and reflects the price a property is worth in a free and open market.

The Difference Between True Cash Value and Fair Market Value

The best example of FMV occurs when a house is sold. For most intents and purposes, the final selling price can be considered its FMV. In other words, FMV is determined by the market, not an assessor (who you will see is constrained by law).

True Cash Value, on the other hand, is more technical and nuanced. It is defined by Michigan's General Property Tax Act (Section 211.27) and represents the usual selling price of a specific property at the time of assessment. It also considers statutory exclusions and specific factors outlined in the law (more on this below).

The Michigan Constitution also requires that real property be assessed uniformly at a rate not to exceed 50-percent of TCV. As a result, this legal mandate creates a broad three-step process for property tax assessments.

For the sake of simplicity, remember that TCV is used as a basis when determining property value for tax assessments, and it rarely relates to FMV prices (which are often much higher).

With these significant differences in mind, let us break down how real property, like your home, is assessed for taxes in Michigan:

Step 1: Assessed Value

The first step in the process is to calculate the "assessed value" of a property. Each local unit (city or township) has an assessment officer whose task it is to calculate each property's assessed value.

Simply put, the assessed value is a determination made by the assessor that represents 50-percent of a property's TCV. This valuation is based on the property's condition as of December 31 of the previous year.

Step 2: State Equalized Value (SEV)

In the second step, each county's Board of Commissioners and the State Tax Commission reviews the local assessed values and applies an adjustment factor known as equalization.

The purpose of equalization is to ensure that property valuations within each assessing unit and county are as close as possible to the 50 percent target (and so each pays their "fair share" of taxes).

The resulting valuation is known as state equalized value (SEV). However, it should be mentioned that SEV is almost always the same as assessed value.

Tip: A quick and straightforward way to find your home's True Cash Value is to double its State Equalized Value, which you can find on your property tax assessment notice or bill. Sometimes it is simply labeled as "SEV".

Step 3: Taxable Value

Once a property's assessed value is determined and equalized, the last step is to calculate its taxable value. Importantly, taxable value is the amount on which property taxes are levied.

In Michigan, a property's taxable value will always be lesser of either-

The previous year's taxable value, less losses, multiplied by CPI (the Consumer Price Index, used to represent the rate of annual inflation) or 1.05 (5%), whichever is less, plus all additions.

OR the current SEV.

Given that taxable value has a direct impact on the amount of property tax you pay, it might also influence when the best time is for you to sell or buy a home in Northern Michigan.

So, in the following section, we will get into more specifics to help make sense of an often-confusing topic.

How Taxable Value Works in Michigan

Now that you know how your property in Michigan is assessed for tax purposes, let us take a closer look at taxable value to understand how it works and what affects it the most.

As described above, a property's taxable value will be the lesser of SEV or the previous year's taxable value (minus losses) multiplied by the lesser of CPI or 5% (plus additions). But what determines which value applies?

Uncapping Taxable Value

For taxable value to use SEV, the property would have had to been purchased the previous year. This is exactly what happens in a typical real estate transaction.

For example, when you buy a home in Michigan it results in a conveyance of title which is a transfer of ownership. In terms of taxable value, a transfer of ownership is an "uncapping" event.

Whereas taxable value is capped and cannot increase each year by more than the lesser of CPI or five percent, plus any physical additions or less any losses (together known as the "capped value"), a transfer of ownership removes this cap for the following tax year.

So, in this case, your taxable value in the year following a home purchase will uncap and reset to match your property's SEV. But in the years that follow, your taxable value will return to being capped.

Transfer of Ownership in Michigan: It is important to note that in Michigan, not all conveyances of title are considered transfers of ownership.

For example, when a property is conveyed from one spouse to the other it is not considered a transfer of ownership. And in terms of estate planning, when a home is conveyed to or distributed from a trust where the beneficiaries are members of the immediate family (spouse, children, etc.), it is also not considered to be transfer of ownership.

Additions and Losses

When you are planning an addition to your home, it is important to consider its effect on taxable value. New construction, like an addition, does not uncap your taxable value, but it will increase it.

As an example, let us say a new addition to your house is worth \$50,000 in true cash value. The calculation then would look like this:

New Taxable Value = Previous Year's Taxable Value x CPI or 5% (whichever is less) + \$25,000 (50% of the new addition's TCV).

Similarly, losses that result in a decrease in value would reduce your taxable value. A loss would include property that has been destroyed or removed. If your property had a loss of \$50,000 in TCV, your taxable value calculation would be:

New Taxable Value = Previous Year's Taxable Value - \$25,000 (50% of the loss' TCV) x CPI or 5% (whichever is less).

Normal Repairs, Replacement and Maintenance

As a property owner in Michigan, you will be happy to know that most normal repairs and replacements done on your home will not increase its taxable value.

The following items are considered "normal maintenance," and assessors are mandated to exclude them from the TCV of a home:

Outside painting.

Repairing or replacing siding, roof, porches, steps, sidewalks, or drives.

Repainting, repairing, or replacing existing masonry.

Replacing awnings.

Adding or replacing gutters and downspouts.

Replacing storm windows or doors.

Insulation or weatherstripping.

Complete rewiring.

Replacing plumbing and light fixtures.

Replacing a furnace with a new furnace of the same type or replacing an oil or gas burner.

Repairing plaster, inside painting, or other redecorating.

New ceiling, wall, or floor surfacing.

Removing partitions to enlarge rooms.

Replacing an automatic hot water heater.

Replacing dated interior woodwork.

Installing, replacing, or repairing an alternative energy system (with certain limitations).

Installing, replacing, or repairing a whole-home generator.

How to Calculate Property Tax

Armed with all this knowledge of assessments and value, the logical next step is to calculate your property tax.

Fortunately, the calculation is quite simple: take your property's taxable value and multiply it by your millage rate, then divide it by 1,000. The formula looks like this:

$$\text{Property Tax} = \text{Taxable Value} \times \text{Millage Rate} / 1000$$

Common Questions About Property Tax Assessments

When it comes to property tax assessments and valuations, the nuance of the topic can be overwhelming. So, for some additional clarity, let us provide answers to some frequently asked questions.

What's The Difference Between an Assessment and an Appraisal?

An assessment is primarily concerned with the true cash value of a property and is primarily used for tax purposes. It considers things like location, size, and zoning.

A home appraisal evaluates a property's value in the open market. It considers recent sales of comparable properties, the size of a home and its condition. Appraisals are often used in relation to purchase or selling a home or other real estate.

Can a Property Tax Assessment be Wrong?

Yes. While your local assessor follows well established guidelines when assessing property, mistakes can always happen. As a property owner, you should always carefully review your

assessment notices and property tax bills. Take the time necessary to make sure you understand any changes from the previous year and that they are in line with reality.

Can You Dispute Property Tax Assessment?

Yes, Your new assessment should include information about how to make an appeal. Typically, there's a window of time for submitting an appeal, sometimes as short as a few weeks.

How Do You Dispute Your Property Tax Assessment?

To dispute your assessments, a good first step is to request your property's appraisal record from your local assessor's office. And as a comparison, you might also request records of comparable properties that are nearby. An assessing record will show you facts about your property's characteristics that the assessor believes to be true. If you notice any inaccuracies or errors, you will want to bring this to the assessor's attention.

Another solution is to simply talk to your local assessor and ask for any clarifications. Fortunately, because Northern Michigan is primarily rural, local assessors are accessible and accommodating.

When there are no errors on your appraisal record and you are still not satisfied even after speaking with your assessor, you can still appeal your assessment with your March Board of Review. The purpose of this board is to hear appeals and make decisions on property assessment disputes. Remember to contact your city or township office for any deadlines.

You'll need proof that the valuation from the assessor is incorrect. The best evidence to support an adjustment in your assessed value is a recent appraisal, a recent sale of the property, or recent sales of similar properties in your neighborhood. Look at comparable properties in your area to learn about property assessment for properties that are like your home—including the same design, size, or other features.”

If you are still not satisfied after exhausting all these local options, you have the right to file an appeal with the Michigan Tax Tribunal. But you might consider first finding a lawyer who specializes in property tax appeals. They will help guide you and can assess your chances of success. The cutoff date for your appeal to the state is usually June 30 of each year.

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Prepared by: Assessor Tina Fuller



Submitted by Robert Brown Dafter Twp Supervisor