

**NOW is the time to get informed and be prepared for your 2010 property tax bills!**

### **2010 Notice of Assessment Change**

This notice contains important information. If this property is your primary residence you should check to see that the notice says **100%** under % **Exempt as Homeowners Principal Residence**. The notice may also say **100% exempt Agricultural property**.

**The Notice of Assessment Change** will also have the following values:

**LINE 2 - Assessed Value (AV)** The AV represents 50% of the true cash value as required by the state constitution and law. This value goes up or down without limit based on market conditions. The Assessor performs a sales study using sales that have occurred during the state mandated 2 year time frame. For the 2010, the AV was established using sales which occurred during October 30, 2008 thru September 30, 2009. The AV on your property is a reflection of the market as it was during that year and not the current market. Prior to 1994, the Assessed Value or State Equalized Value, was the number used to calculate property tax bills.

**LINE 4 - State Equalized Value (SEV)** The SEV is the Assessed Value multiplied by the equalization Factor, if any. Line 3 will show a factor if applicable.

When Proposal A passed in 1994, our state constitution was amended to say that a property owner should not pay property taxes on property values that were going up more than the rate of inflation or 5%, whichever is less. For more than a decade, the property taxes paid by long term property owners have been going up by only inflation, except for voter-approved increases in property taxes or because something was added to the property, such as a new garage.

**Taxable Value (TV)** The TV is a value established by Proposal A. It is a mathematical computation and is increased each year by the rate of inflation or Consumer's Price Index or 5% whichever is less. For 2010, the CPI is -.3% (negative point three percent). **The TV is what determines what you pay in property taxes. The levied millage (\$1.00 per 1,000 of taxable value) is multiplied by this number.**

**Long term owners** - For many property owners, a large gap has developed between the AV and capped TV. This gap demonstrates the benefit to long-term property owners created by Proposal A. If you have owned your property for a long period of time, it is unlikely that the actual property tax bill will go down even if the AV goes down. **Taxes will not go down until the Assessed Value falls below the Taxable Value.**

**Recent purchasers** - For those who have recently purchased property, they are more likely to see actual reductions in property tax bills based on declining housing market. Under Proposal A, when property sells, the cap comes off of the taxable value and the Assessed Value and Taxable Value are the same in the first year after the sale. For those property owners where the AV and TV are very close or equal, a reduction in the AV can also mean a reduction in the TV and thus a reduction in property taxes.

**Board of Review** – If you have questions about the values shown on the Assessment Change Notice, you should call your assessor and ask for an explanation. If you do not agree with the values, you may appeal to the local Board of Review. (See dates and time on notice) Please call the Township Office for an appointment and bring good documentation to support your claim for change of value.

**Property splits and Combinations** - **When** the configuration of property changes a new Property Identification number is assigned. It is necessary to file a new Principal Homestead Affidavit for the new property number. A copy of the form can be obtained at the Township Office or at our web site [chikamingtownship.org](http://chikamingtownship.org).