

## **Assessing Facts**

Assessors are responsible to assess all property in the City at 50% of fair market value. This includes commercial, industrial, and residential properties, vacant land, and personal property. To meet the standards of the State Tax Commission, the Assessing Department reviews a portion of the properties every year. This allows the city to keep accurate records.

The Department is responsible for the inventory of all property within the City and valuation and maintaining property record information of all property both real property (land and buildings) and personal (tangible). It operates under requirements of the General Property Tax Law which were originally P.A. 206 of 1893; Statutes can be found under MCL 211.1 through MCL 211.157. The Department is primarily responsible for performing and maintaining property assessments for the equitable distribution of property tax burden.

Department compiles the annual assessment roll on which taxes will be levied; maintains property tax descriptions and maps, processes personal property statements, and conducts field audits of both existing properties and new construction located within the City of Montrose. In addition, providing the City Treasurer with taxable value on all City properties, used to produce annual tax bills.

- Establish legal assessment roll and annually site visit 20% property
- Review and evaluate commercial and industrial property
- Site visit and review all new construction
- Continue public education in areas such as non-consideration forms, PRE aka homestead applications, property transfers, and personal property tax law
- Enhance and increase understanding of and compliance with the property tax system as established by City charter and State law.

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## **What is the Assessed Value?**

Assessed Value shall not exceed 50% of the True Cash Value (aka Market Value) of the property. Mass appraisal techniques are used to determine the True Cash Value of each property every year to set the Assessed Value at 50% of the True Cash Value for each class of property. The true Cash Value of a property is synonymous with market value.

## **What is State Equalized Value?**

State Equalized Value (SEV) is the final Assessed Value after the County and State completed their equalization processes and certified Assessed and Taxable Values. Typically, the SEV is the same as the Assessed Value.

## **What is the Capped Value?**

Capped Value is a calculation of the previous year's Taxable Value multiplied by the Inflation Rate Multiplier and adjusted for any physical changes in the property. The inflation rate multiplier is based on a two-year average of Consumer Price Index CPI, the Inflation Rate Multiplier. For 2022 the Inflation Rate Multiplier was 1.033.

## **What is Taxable Value?**

Taxable Value is determined by the lower of the Assessed Value or the Capped Value. Properties that transferred ownership will have the Taxable Value set to Assessed Value for the following calendar year. Taxable Value is the basis of the property tax in Michigan and is multiplied by the millage rate to determine the tax amount each year.

Since "Proposal A" was voted in, in 1994, you cannot compare tax bills with your neighbors and expect them to be similar. Property taxes are now subject to many different factors and identical homes could have very different tax amounts.

## **Property Inspections**

As your Assessor I am in the field updating property record card information, photos, and sketches, performing onsite property inspections for the City's commercial, industrial, and residential neighborhoods.

State Tax Commission recommends all properties be re-inspected every 5 years to update property information and assure more accurate and equitable assessments.

Every year my goal is to update 20% of the parcels' property card information, photos, and sketches, performing onsite property inspections for the City's commercial, industrial, and residential neighborhoods.

Every property owner will get a post card giving you a time frame when you can expect me to visit your property. If you do not want me to visit your property when you might not be home, contact me so we can setup an appointment. For property owners not at home when I visit, I will leave a business card so that you know that I stopped by.