
# FREQUENTLY ASKED QUESTIONS

**How is my assessed value calculated?**
All assessed values are calculated according to the State Tax Commission standards and Michigan law. This value is shown as the State Equalized Value or SEV on your tax statement. It is a mass appraisal technique that uses the current cost to replicate your house and then depreciates that cost based on the age of the structure. It is then adjusted to market value by comparing the depreciated cost of homes that have sold in your area to their sales price. Each year, the City is required by law to analyze sales by economic neighborhoods using a 24-month study to adjust that neighborhood so that assessed values are at 50% of market value.

**Why are my assessed and taxable values different?**
The State of Michigan requires that properties are assessed at 50% of market value. The taxable value is the lesser of two numbers - the capped value, which is determined by formula, and the assessed value of your property. In the case of a transfer of ownership of the property in the prior calendar year, the taxable value will always be the assessed value as required by law.

**Why isn't my new assessed value 50% of my purchase price?**
Michigan Compiled Law 211.27 states that the purchase price is no longer the presumptive true cash value of a property. (See above - How is my assessed value calculated?)

**Why is my neighbor paying lower taxes than me?** On March 15, 1994, Michigan voters approved Proposal A, which established taxable value as the basis for the calculation of property taxes. Since Proposal A passed, you can no longer compare your property taxes with your neighbor's. A property's taxable value is the basis for calculating taxes on a property. Increases in taxable value are limited to the percentage in the rate of inflation or 5%, whichever is less, and considers the physical losses or additions to the property. The limit on taxable value does not apply to a property in the year following a transfer of ownership or sale.

FARMINGTON HILLS Michigan


# UNDERSTANDING PROPERTY ASSESSMENT AND TAXES

**CITY OF FARMINGTON HILLS**

**ASSESSING DIVISION**

**31555 Eleven Mile Road**
**Farmington Hills, MI 48336**

**Monday through Friday - 8:30 a.m. to 4:30 p.m.**
**248-871-2470 Phone/248-871-2471 Fax**
**Forms: addresschg@fhgov.com**

**Email: assessingquestions@fhgov.com**

**City of Farmington Hills Assessor - Jennifer Hendrix, MMAO**
**jhendrix@fhgov.com**


# PROPERTY ASSESSMENT AND TAXES

The Assessing Division is responsible for keeping record of and valuing all properties located within the City boundaries. All properties are identified and described by parcel identification number, a legal description and address. Each property's information is public record and can be viewed in the City Assessor's Office and on the City website at **www.fhgov.com** at Government/Assessing/ BS&A Online Property Inquiry Search.

It is recommended, and the responsibility of owners, to verify the information on their record card. The assessed value of a property represents 50% of the market value. Similar properties are uniformly assessed in maintained condition by analyzing a 24-month period of sales.

The Assessing Division inspects and updates properties annually. The State Tax Commission recommends that approximately 20% of the properties in each municipality should be reviewed each year. An appraiser from the City's Assessing Division may visit your property to review exterior information.

Annual Notices of Assessment are sent to all property owners in February. This notice explains the proposed changes to your property valuation, classification, principal residence exemption status, transfer status, and appeal rights. Please review this notice and contact the Assessing Division at 248-871-2470 if you have any questions. To review a sample notice, go to **www.fhgov.com**

# BOARD OF REVIEW

The Board of Review is made up of three members of the community who have education, knowledge, or experience in property valuation. They are appointed for a three-year term. The Board of Review meets three times a year in March, July, and December.

The March Board of Review meets annually to hear valuation appeals by property owners. This is the only time a residential property owner can appeal the values proposed by the assessor.

The July and December Board of Review has limited authority. They are only authorized to correct qualified errors. These errors are limited to clerical errors and mutual mistakes of fact. In addition, they may hear a request for certain exemptions such as Poverty.

If a property owner is not satisfied with the decision of the Board of Review, they may appeal the decision to the Michigan Tax Tribunal at **www.michigan.gov/taxtrib**