

Assessor's Office 2004-05 Annual Report

General Property Tax Laws

The General Property Tax Laws of the State of Michigan apply to all property within the State. The assessment function, however, is required to be administered at the local level (cities and townships). The equalization function is administered at both the state and county level of government.

During the past decade, there have been significant changes to the General Property Tax Laws of the State of Michigan. The voters approved Proposal A, a constitutional amendment, on March 15, 1994. Senate Bill Number 1 preceded this referendum, which subsequently eliminated school operating millage from the local property tax, on August 19, 1993. This new legislation added a number of new terms to the Assessor's vocabulary such as homestead percentage {amended in December 2003 to Homeowner's Principal Residence (HPR) percentage}, uncapping, taxable value, and capped value. More changes were implemented October 1999, when the State Tax Commission adopted new personal property multiplier tables to be used by assessors in the valuation of personal property tax assessments. These new tables, in general, resulted in faster depreciation of personal property and resulted in a loss in the personal property class for 2000. In 2003, Public Act 415 of 2000, as amended, now requires buildings on leased land and certain leasehold improvements to be assessed as real property.

Major Tax Appeals

A major tax appeal milestone was reached during fiscal year 2004-05. The City of Midland and the Dow Corning Corporation came to a mutually acceptable resolution and settled Corning's tax appeal. However, property tax appeals filed by two other major taxpayers in the City of Midland continued throughout the 2004-05 fiscal year. The MCV tax appeal, also known as the longest tax trial in Michigan's history, after a full 14 months, came to an end with replies to closing statements submitted on June 9, 2003. Since then, the Michigan Tax Tribunal delivered a decision on January 23, 2004, which was subsequently appealed and is still without resolution. The Michigan Tax Tribunal also handed down a decision for the Dow Chemical Corporate Center case on June 17, 2005, which was appealed as well. The Dow Chemical Main Plant appeal is still ongoing. As a result, the City of Midland had a negative levy of 0.68 mills in July of 2004 for the Tax Appeal Reserve Fund. The remaining City of Midland millage rate for Operating and Debt for fiscal year 2004-05 was 10.55 mills.

Software and Technology Improvements

The Assessor's Office purchased BS&A software in late 1999. Data was converted from HTE and beginning in 2000 the assessment roll and all required reports were generated using this new assessment administration software. Assessment information is now maintained on the BS&A system and information such as names and addresses of property owners are updated on HTE through the use of an interface program.

A number of upgrades have been made to the Assessor's website, both in appearance and in utility. Each day assessing staff enters additional data in an effort to perfect the site.

The Assessor's office is also working closely with the Information Services department to implement a new imaging system that will be installed by the end of 2005. Assessing will be one of first departments to test, implement and use this new software. Many documents will be imaged and stored electronically; as a result, thousands of files can be conveniently stored using a fraction of the space. These documents can then be quickly accessed when needed.

Personnel

Personnel changes in the department during 2004-05 include the replacement of the full-time Office Professional with a part-time Office Assistant. This change became possible because of technology improvements that offer better access for taxpayers to assessment information online. Presently, the Assessor's Office holds five full-time positions and one part-time. These positions include: the Assessor, Deputy Assessor, Personal Property Auditor, two Appraisers and a part-time Office Professional.

Assessment Notices and Board of Review

Assessment notices are mailed in late February or early March, each year. Any appeal of an assessment and/or taxable value must be made to the March Board of Review. State law prohibits any appeal after the final appeal date for the March Board of Review. The Board of Review will meet to consider appeals of the 2006 assessed and/or taxable values on March 13, 14, 15 and 16, 2006. Specific times for these dates are posted on the city calendar and on the assessment notices. Property owners wishing to appeal may do so in person or by letter, if postmarked no later than March 16, 2006.

Assessing Information

Property owners, realtors, lenders, title companies, and potential buyers and sellers often utilize information available in the Assessor's office and on the Internet at midland-mi.org. Once on the city's website, look for the City Assessor and then property information. Information available includes the following:

- ✍ A public computer terminal is located at our front desk, access to this computer is available to research property records and assessment information.
- ✍ Appeal procedure information ("How to Review and Appeal Your Property Assessment" pamphlets are available as well as personal staff assistance)
- ✍ Assessed and Taxable value of property
- ✍ Homeowner's Principal Residence Exemption Affidavit, information and forms
- ✍ Poverty Exemption application forms
- ✍ Maps showing lot dimensions and owners names
- ✍ Property tax law information, procedures and deadlines as well as Personal property statements and related information
- ✍ Sales information including date and price paid (often used by realtors, potential purchasers and sellers)
- ✍ Special Assessment information (special assessments are for new improvements such as water mains, sanitary sewer mains and paving improvements)
- ✍ Specific information for a property (lot size, year built, square footage, building dimensions and sketch, number of baths, number of fireplaces, sales history etc. is shown on property record cards)

The Assessing employees update information on a daily basis. This information consists of property records, ownership information and assessments for 15,738 real property parcels (land and buildings) and 1533 personal property accounts (machinery and equipment). The total estimated market value on the ad valorem assessment roll for the City of Midland in 2005 is \$5.38 billion, the assessed value is \$2.69 billion and the taxable value is \$2.43 billion. Millage rates are levied on the taxable value. City property value represents approximately 70% of the taxable value of Midland County. The 2005 City of Midland total assessment roll decreased \$18 million, or approximately 0.66% from the 2004 assessment roll. The taxable value for 2005 increased \$7 million, or approximately 0.28% from the 2004 assessment roll. The 2005 Industrial Facilities Tax Roll is approximately \$121 million assessed and taxable value, a decrease of approximately \$23.1 million, or 15.98% from the 2004 roll.

Shown below is the State Equalized Value, parcel count (real, personal and exempt) and amount of change over the past ten years.

Year	State Equalized Value	Amount of Change in State Equalized Value From the Prior Year	Parcel Count	Change in Parcel Count
2005	\$2,690,234,700	- 17,968,200	18,070	+ 132
2004	\$2,708,202,900	+ 34,985,400	17,938	+ 354
2003	\$2,673,217,500	+ 40,568,900	17,584	+ 17
2002	\$2,632,648,600	+ 341,129,000	17,567	+ 295
2001	\$2,291,519,300	+ 88,619,000	17,272	+ 158
2000	\$2,202,900,300	+ 25,611,600	17,114	- 104
1999	\$2,177,288,700	+ 103,486,050	17,218	+ 182
1998	\$2,073,802,650	+ 44,803,250	17,036	+ 133
1997	\$2,028,999,400	+ 26,472,700	16,903	- 16
1996	\$2,002,526,700	+ 30,295,700	16,919	+ 189
1995	\$1,972,231,000	+ 53,780,350	16,730	+ 303

In the most recent five-year period, from 2000 to 2005, the assessed value has increased for the City of Midland by 22.1%, or a total of \$487,334,400. During this same period, the parcel count increased by 5.6%, or a total of 956 parcels.

Personal Property Auditing

Two personal property audit grants, totaling \$150,000, were received from the State of Michigan and were used to contract Tax Management Associates (TMA) to provide personal property auditing services. Numerous audits were completed by TMA throughout the fiscal year. The audit results revealed that the majority of commercial and industrial personal property owners are reporting accurately and are in compliance with legislative requirements. This grant program has allowed for a large volume of audits to be completed and has provided valuable training to Assessing staff; thus, ensuring accurate personal property assessments moving forward.

Goals

Our goals for 2005-06 are to continue to develop the citywide reassessment program, and update and digitalize property assessment card records. Starting with the residential properties, our internal Appraisers have been establishing land values and economic condition factors as well as developing land value maps. This is an ongoing effort to ensure our assessment records meet the State's statutory assessment requirements.

As in the past, we will focus on refining the software and technologies we use, and develop new procedures to constantly improve our assessment administration. Current performance measurements will be reviewed and new benchmarks will be set. Moreover, we will continue to concentrate on training and development of our assessing staff to improve knowledge and diversity within the Assessor's office. Most of all, our central focus is to provide uniform and equitable assessments among all property classes.