

Commercial & Industrial Assessment Summary

- General Property Assessment Information
- Proposal A
- Appeal Process
- Personal Property

How Your Property Assessment is Determined

- City Assessors estimate market value.
- 50% of market value becomes the assessed value.
- State law requires the Assessor to determine the assessed value of your property each year.
- Your property taxes are based on your taxable value.
- You may appeal your assessment through the Assessor's Review and March Board of Review. Commercial Property may appeal directly to the Michigan Tax Tribunal.

Market Value

The most probable price (in terms of money) which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- The buyer and seller are typically motivated;
- Both parties are well informed and well advised, and acting in what they consider to be their best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto;
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Definition: International Association of Assessing Officers

Proposal A

- Voter approved in 1994. Went into effect for the 1995 tax year.
- Designed to limit growth in property taxes by CPI (Consumer Price Index) or 5%, until ownership is transferred.
- Developed concept of taxable value.

Assessment Appeal Process

- You may appeal to the Detroit Assessors Review (February 1-15) and March Board of Review. Commercial property owners may appeal directly to the Michigan Tax Tribunal by May 31.
- Income/Expense or rent data will be requested for commercial property appeals.
- Appeal rights for Personal Property assessments are forfeited for each year a statement is not filed.

Personal Property

- Personal Property is the tangible (physical) assets of a business. Some common examples are: office furniture, computers, industrial machinery & equipment, and copy & fax machines. Personal Property should not be confused with Real Property, which is the land and building.
- Every business owner is required to file annually a personal property statement with the city.
- The statutory deadline to file is February 20.
- A 10% penalty is assessed to business owners who fail to timely file a personal property statement annually.
- E-filing the personal property statement is optional.