

Frequently Asked Questions

I just received a Notice of Assessment that has “This is not a bill” on it. What is it and what does this mean?

Every property owner is notified of their property's assessed value, taxable value, property classification, Principal Residency Exemption status, and the dates of the Board of Review on their annual Notice of Assessment. If you disagree with your assessment, then the BOR is the place to start. You should contact your local assessor for additional BOR information.

What is the Board of Review and what does it do?

The Board of Review (BOR) is a panel of property owners in your jurisdiction. Their duty as members of the BOR is to hear property assessment appeals, property classification appeals, applications for hardship exemptions, and to correct any clerical errors or mutual mistakes of fact that occur after assessments are finalized each year.

Why can't current real estate listings be used when determining the value of my home for assessment purposes? Current real estate listings cannot be used in determining the true cash value and resulting assessed values of local properties. AV cannot be based on speculation as to what a home might sell for. By law, AV's must be based on confirmed arm's length sales that have taken place.

Are financial institution sales used in the sales study? Normally, sales that involve mortgage foreclosures and sales from relocation companies (Distressed Sales) are not considered typical sales and are not used to determine the value of property in the assessment process. The State Tax Commission has allowed the use of these sales but only under strict conditions. The assessor has to be able to contact and interview the Mortgage Company holding the original mortgage, the seller, the buyer, and the buyer's mortgage company. The assessor must also be able to perform an exterior and interior inspection to determine that the structure when sold remains in the same condition as when it was assessed.

How often is my property evaluated? The General Property Tax Law requires all properties to be evaluated each year. This does not necessarily mean that a field inspection is made of each individual property each year. Assessed values are generally determined by mass appraisal techniques. This is done by grouping similar property types together and analyzing the sales activity in those groups as well as performing field inspections on a sampling of properties within these groups. It is important that property owners periodically review their property record cards, which are available from your local assessor or on-line (in most jurisdictions).

I recently purchased a home in Livingston County. Why isn't my assessed value one-half of what I paid for the property? General Property Tax Law prohibits an assessed value from being set at one-half of a particular sale price. All arm's length sales of similar properties must be considered in determining assessed values. *Arm's length sales* generally exist when the property has had proper exposure on the open market and involves an informed buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus or special financing.