

# YOUR PROPERTY TAX DOLLAR DESTINATION

CITY SERVICES  
**\$0.39**  
 Out of Every Tax \$1



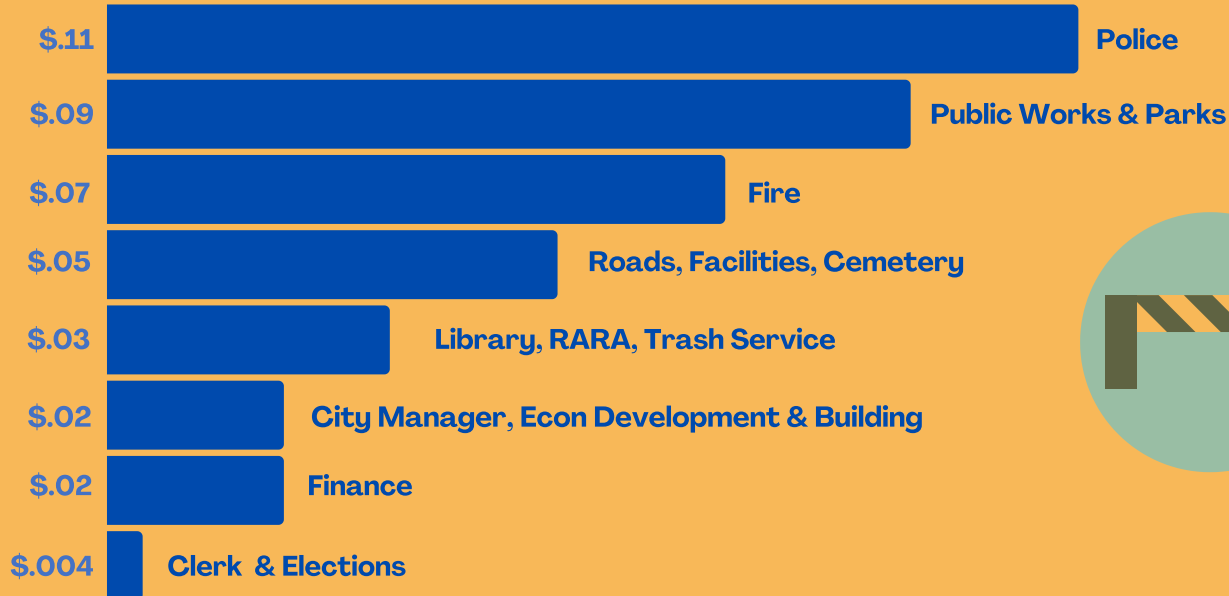
Property tax breakdown

**\$0.47**

NON-CITY SERVICES  
**\$0.61**  
 Out of Every Tax \$1

**\$0.14**

## ROCHESTER SERVICES PROVIDED



### WHAT ARE PROPERTY TAXES BASED ON?

With the passing of Proposal "A" in 1994, Michigan property taxes are based on the current year Taxable Value and the respective millage rate

### HOW ARE PROPERTY VALUES DETERMINED?

Property values are determined by the assessor using a sales study mass appraisal approach. During a sales study period the assessor looks at all of the arm's length transactions over a one-year or two-year period. The assessor then compares the sale price to the Assessed Value of each transaction, to determine the amount of increase or decrease in market value. The assessor must ensure the Assessed Value is not greater than 50% of market value.

### WHAT HAPPENS TO TAXABLE VALUE WHEN A PROPERTY TRANSFERS OWNERSHIP?

In the year following the purchase of a property, the Taxable Value becomes equal to the Assessed Value. This is commonly referred to as an "uncapping." In the second year after a property is purchased, the Taxable Value is again capped, and may only increase by the Inflation Rate Multiplier (IRM) or 5%, whichever is less, provided there are no additions or losses. In Michigan, taxes are based on Taxable Value. Taxable Value can never be greater than Assessed Value.

### WHAT IS A PRINCIPLE RESIDENCE EXEMPTION (PRE)?

If you own and occupy your home as your primary residence, you may be exempt from a portion of school operating tax up to 18 mills. In order to get this exemption you must file a PRE Affidavit with the City of Rochester. You must submit the PRE Affidavit and own and occupy your home by June 1 to qualify for summer and winter tax levies.

### CAN AN ASSESSOR SET THE ASSESSED VALUE AT THE PROPERTY SALE PRICE?

No, the General Property Tax Act does not permit the assessor to rely on any individual sale to set the True Cash Value of a property. An assessor performs a sales study and analysis and must maintain uniformity of assessed values.



### PUTTING YOUR TAX \$ TO WORK

The City of Rochester breaks tax collection into three main components, City services, Oakland County, & Education. The City portion of the property tax collected is used to fund Police, Fire, Public Works, Library, RARA, Trash Collections, and other City services.

### KNOW THE NUMBERS

The Treasury Department is available to answer your questions, 248-733-3700.

### BE INVOLVED

Taxpayer involvement on Committees, Boards, Commissions, and Council ensures that the City funds the things that are important to the community. Check out volunteer opportunities at [rochestermi.org](http://rochestermi.org).

### YOUR PROPERTY TAX DOLLAR DESTINATION

