

Property Tax Guide

CITY OF ALMA

Assessor's Office

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Assessing Property



The primary purpose of the Assessor's Office is to estimate the fair market value, or "true cash value," of all real and personal property located within the City of Alma. The office studies the sales market and collects information about properties in order to estimate current market value.

The assessor's office maintains records on all properties, including land and buildings. The assessed value is required by law to be established at 50% of True Cash Value. The Michigan Constitution requires similar properties to be uniformly assessed. Uniformity pertains to the method of assessment and the rate of taxation.

TERMS

TRUE CASH VALUE

True cash value is also known as market value. It is the usual selling price negotiated between a willing seller and a knowledgeable buyer as unrelated parties without duress.

ASSESSED VALUE

Assessed value is approximately 50% of your property's true cash value. The assessed value can increase or decrease annually based on real estate market performance.

STATE EQUALIZED VALUE

State equalized value is the assessed value after the assessment roll has been reviewed by the county and state. The county and the state ensure uniformity of assessed values to be 50% of the true cash value.

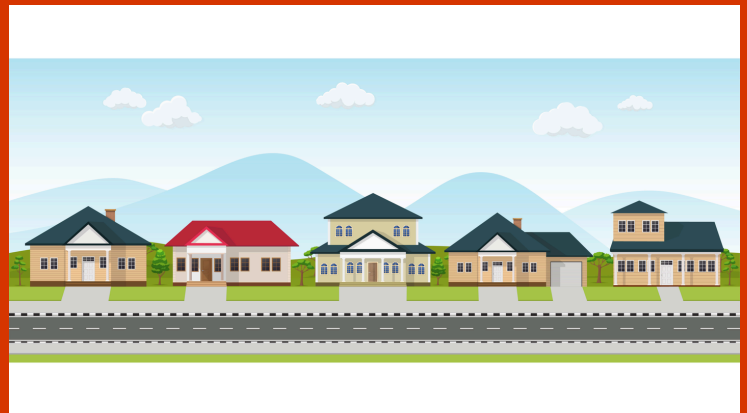
TAXABLE VALUE

taxable value is the lesser of the assessed value and capped value. Taxable value multiplied by the tax rate (i.e., the millage rate divided by one thousand) equals the estimated taxes which will be paid, excluding special assessments and any service fees.

CAPPED VALUE = (previous year taxable value - losses) x inflation rate multiplier + additions

CAPPED VALUE

Under certain circumstances, a property's capped value puts a limit on the amount that a home's taxable value can increase. The capped value takes into consideration the prior year taxable value, the rate of inflation, as well as any property additions or losses. A taxable value "uncaps" and becomes equivalent to the assessed value in the year following most ownership transfers.



Q & A



Where does the inflation rate multiplier (IRM) come from?

The Inflation Rate Multiplier is based on statutory requirements (MCL 211.34d) and calculations using monthly values of the United States consumer price index for all urban consumers. The calculation for 2026 results in an inflation rate multiplier (IRM) of **1.027 for the 2026 tax year.**

How does the inflation rate affect property taxes?

Property taxes increase or decrease in part by the rate of inflation. Using the consumers price index (CPI) an inflation rate multiplier (IRM) is developed. The IRM or 5%, whichever is less, is incorporated into the capped value. The current year taxable value will be the lesser of the capped value or the assessed value. If there has been a transfer of property ownership in the prior year, the current year's taxable value will be equal to the current year's assessed value.

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.

Why is my neighbor paying lower taxes than me?

On March 15, 1994, Michigan voters approved the constitutional amendments known as “Proposal A.” Prior to Proposal A, property tax calculations were based on the state equalized value (SEV), which fluctuated based on market conditions.

Proposal A established a taxable value (TV) as the basis for calculation of property taxes. Increases in TV are limited to the percentage change of the inflation rate multiplier (IRM) or 5% whichever is less, provided there were no losses or additions to the property. The limit on TV does not apply to a property in the year following a transfer of ownership (sale). Once purchased, a property’s TV will uncap in the year following the transfer and will become equal to the property’s SEV. The TV will be capped the subsequent year and will increase/decrease by the IRM (or 5% cap) plus or minus the value of any construction or demolition that has occurred.

In other words, since Proposal A passed, you can no longer compare your property taxes with neighboring properties, as most not only have different features, but also transferred ownership at different times. If comparing SEVs, remember to compare apples-to-apples. Some important items to compare would be square footage of the home, bathroom count, basement size, basement finish, fireplaces, garages, decks, etc.

Example: suppose your neighbor purchased their home on **March 20, 2025**, and at the time the **2025 SEV** was \$75,000 and the TV was \$55,000. Their **2025** tax bills would be calculated using the prior owner's TV of \$55,000 for **2025 only**.

Based on sales of homes in the neighborhood, your neighbor's new SEV for **2026** has increased to \$90,000. Due to Proposal A, your neighbor's home was uncapped for the **2026** tax year, and their **2026** TV was made equal to their **2026** SEV. They will see an increase in taxes, as their **2026** tax bills will be calculated using a \$90,000 TV instead of the prior year's \$55,000.

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 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 notice of assessment?

In February, The assessor's office mails a Notice of Assessment to each property owner. This provides each taxpayer with their property's change in assessed value and taxable value from the previous year and also provides an estimate of the tax increase or decrease due to the new taxable value. The Notice of Assessment also provides the property's Principal Residence Exemption percentage and Property Classification.

What is a principal 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 receive this exemption you must file a PRE affidavit with the assessor's office. You must submit the PRE affidavit and own and occupy your home by June 1 to qualify for summer tax levy and November 1 for the winter tax levy.

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 assessments. Uniformity pertains to the method of assessment and the rate of taxation.

Can the March Board of Review determine a property's sale price as its true cash value?

The March Board of Review has two main tasks. These tasks are (1) to review the assessment roll and correct any errors that were discovered after the assessment roll was prepared and (2) to listen to owner-related appeals regarding their assessment. The Board of Review looks to property owners to provide relevant information to support their contention of true cash value. The information may include, but is not limited to, recent sales activity involving their property, an appraisal of property, sales of similar or "comparable" properties, and any other information deemed relevant about its valuation.

EXAMPLES



THE INFLATION RATE MULTIPLIER OF 1.027 HAS BEEN USED FOR THE FOLLOWING:

➔ 2026 Assessment Year

1. YOU PURCHASED A HOME

➔ Last year you purchased a new home, valued at \$280,000 (TCV), with a \$140,000 assessed value (AV) and state equalized value (SEV), and a taxable value (TV) of \$95,000. A study in the neighborhood shows your property has increased to a value of \$300,000.

	Current Year	Prior Year	Market Change
Assessed Value (AV):	\$150,000	\$140,000	7.1% increase
State Equalized Value (SEV):	\$150,000	\$140,000	
Because the sale removed the “capped value” the current year taxable value is the same as the current year assessed value.			
Taxable Value:	\$150,000	\$95,000	Uncapping

2. YOU ADDED A FAMILY ROOM TO YOUR HOME: →

Last year your home, valued at \$270,000, had a \$135,000 Assessed (AV) and State Equalized Value (SEV) and a Taxable Value (TV) of \$95,000. You added a family room addition, valued at \$45,000 True Cash Value (TCV). A study of sales shows your property TCV (with the addition) at \$315,000.

The Inflation Rate Multiplier of 1.027 has been used for the following:

	Current Year	Prior Year	Market Change
Assessed Value (AV):	\$157,500	\$135,000	16.7% increase
State Equalized Value (SEV):	\$157,500	\$135,000	
Capped Value:	\$120,445	\$95,000	26.4% increase
Improvement (50% TCV)		\$22,500	
Taxable Value:	\$120,065		
Formula:	$(95,000 - 0) \times 1.027 + 22,500 = \\$120,065$		

Taxable Value is the lesser of the Assessed Value or Capped Value

The Inflation Rate Multiplier of 1.027 has been used for the following:

3. YOU MADE NO CHANGE TO YOUR PROPERTY BUT THE SEV AND TV INCREASES:



Last year your home, valued at \$260,000 (TCV), had a \$130,000 SEV and a TV of \$95,000.

A study of sales in the neighborhood shows your property has increased in value to \$270,000.

	Current Year	Prior Year	Market Change
Assessed Value (AV): (1/2 of \$270,000)	\$135,000	\$130,000	3.8% increase
State Equalized Value (SEV):	\$135,000	\$130,000	
Capped Value:	\$97,565	\$95,000	2.7% increase
Taxable Value:	\$97,945		

Formula: $(95,000 - 0) \times 1.027 = \$97,565$

Taxable Value is the lesser of the Assessed Value or Capped Value

The Inflation Rate Multiplier of 1.027 has been used for the following:

4. YOU MADE NO CHANGES TO YOUR PROPERTY BUT THE SEV DECREASES AND TV INCREASES:



Last year your home, valued at \$260,000 (TCV), had a \$130,000 SEV and a TV of \$100,000.

A study of sales in the neighborhood shows the true cash value of your property has **decreased** to \$250,000 for the current year.

	Current Year	Prior Year	Market Change
Assessed Value (AV): (1/2 of \$250,000)	\$125,000	\$130,000	3.8% increase
State Equalized Value (SEV):	\$125,000	\$130,000	
Capped Value:	\$103,100	\$100,000	2.7% increase
Taxable Value:	\$102,700		

Formula: $(100,000 - 0) \times 1.027 = \$102,700$

Taxable Value is the lesser of the Assessed Value or Capped Value

The Inflation Rate Multiplier of 1.027 has been used for the following:

5. YOU MADE NO CHANGES TO YOUR PROPERTY BUT THE SEV DECREASES AND TV DECREASES:



Last year your home, valued at \$260,000 (TCV), had a \$130,000 SEV and a TV of \$122,000.

A study of sales in the neighborhood shows the true cash value of your property has **decreased** to \$240,000 for the current year.

	Current Year	Prior Year	Market Change
Assessed Value (AV): (1/2 of \$240,000)	\$120,000	\$130,000	7.7% decrease
State Equalized Value (SEV):	\$120,000	\$130,000	
Capped Value:	\$125,782	\$122,000	2.7% decrease
Taxable Value:	\$125,294		

Formula: $(122,000 - 0) \times 1.027 = \$125,294$

Taxable Value is the **lesser** of the **Assessed Value** or **Capped Value**

BE INVOLVED

The assessor's office encourages taxpayers to review their assessment records. You may view your assessment information online at www.myalma.org or email Hannah Post, Deputy Assessor at hpost@myalma.org or call 989-463-9515. Taxpayer involvement helps ensure we maintain the highest quality assessment records. Things to consider when reviewing your record card include:

- Review your property's main physical characteristics such as site size, building size, basement type and finish, and any exterior improvements such as garage, shed, deck, or patio.
- Check the property sketch for correct property dimensions (note that small differences may be due to rounding and are unlikely to impact value).
- Notify the assessing staff of any inaccuracies in your assessment record.
- Communicate your reason for any value-related differences.
- Bring to the assessor's attention any relevant market information which may be helpful in understanding your property's value, such as sale activity involving your property that we may not be aware of, an appraisal of your property, sales of similar or comparable properties, or other relevant market or property-related information you have regarding your property's value.



Contact Us

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