

2014 Annual Report

Ottawa County Equalization Department

This report does not take the place of the "Equalization Report", statutorily required to be presented to the County Board for adoption in April each year.

Michael R. Galligan mmao(4)
Ottawa County Equalization Director
February 10, 2015

**The activities and programs of this department
are brought to you by the members of the
Ottawa County Board of Commissioners.**

- Joseph S. Baumann, Chairperson
- Gregory J. DeJong, Vice-Chairperson
- Stuart P. Visser
- Donald G. Disselkoen
- Allen Dannenberg
- Mike P. Haverdink
- Dennis L. Van Dam
- James H. Holtvluwer
- Philip D. Kuyers
- Roger A. Bergman
- Matthew R. Fenske



Table of Contents



<input type="checkbox"/> Equalization Department Staff -----	6
<input type="checkbox"/> Recent Changes -----	7
<input type="checkbox"/> Narratives	
<input type="checkbox"/> Main Functions of the Equalization Department-----	8
<input type="checkbox"/> Preparation of the Equalization Report -----	9-11
<input type="checkbox"/> Maintenance of Accurate Property Descriptions and Property Tax Maps -----	12
<input type="checkbox"/> Property Assessment Services for Local Units -----	13
<input type="checkbox"/> Annual Apportionment Report -----	14-15
<input type="checkbox"/> Other Duties -----	16
<input type="checkbox"/> According to the Numbers	
<input type="checkbox"/> Sales Studies -----	17
<input type="checkbox"/> Appraisal Studies -----	18
<input type="checkbox"/> Personal Property Audit program -----	19
<input type="checkbox"/> Maintenance of Accurate Property Descriptions and Property Tax Maps -----	20
<input type="checkbox"/> Principal Residence Exemption Audit Program -----	21
<input type="checkbox"/> Property Assessment Services for Local Units -----	22
<input type="checkbox"/> County Equalized Value/10 year increases/IFT Exemptions -----	23
<input type="checkbox"/> County Equalized and Taxable Value by Year -----	24
<input type="checkbox"/> Change in Assessed and Taxable Values vs. The Rate of Inflation -----	25
<input type="checkbox"/> Summary of Equalization Studies-----	26-28
<input type="checkbox"/> Next Steps -----	29
<input type="checkbox"/> Conclusion -----	30

Equalization Department Staff

As of February 1, 2015



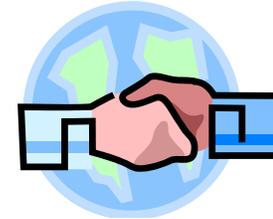
- **Michael R. Galligan mmao (IV), Director**
- **James J. Bush mmao (IV), Deputy Director**
- **Lori Brassard mcao (II) Administrative Assistant**
- **Equalization Appraisals Team**
 - Tina Pickler mao (III), Appraiser III, Senior Appraiser
 - Brian Busscher mao (III), Appraiser III
 - Craig Zysk mao (III), Appraiser III
 - Cheryl Deal ½ time Abstracting/Indexing Clerk
- **Local Unit Assessment Administration Team**
 - Joshua Morgan mao (III) Assistant Assessor
 - Rodger Murphy mcao (II), Appraiser I
 - Sarah Goldman, Abstracting/Indexing Clerk (member of 2 teams)
- **Maintenance of Property Descriptions & Property Tax Maps Team**
 - Troy Young, Property Description and Mapping Technician
 - Christopher Van Horn, Property Description and Mapping Technician
 - Julie Friedgen, ½ time Abstracting/Indexing Clerk (member of 2 teams)
 - Jennifer Milanowski, ¾ time Abstracting/Indexing Clerk (member of 2 teams)
- **Deeds Processing Team**
 - Susan Young Senior Abstracting/Indexing Clerk
 - Sarah Goldman, Abstracting/Indexing Clerk (member of 2 teams)
 - Jennifer Milanowski, ¾ time Abstracting/Indexing Clerk (member of 2 teams)
 - Julie Friedgen, ½ time Abstracting/Indexing Clerk (member of 2 teams)

Breakdown of Department Personnel (Full time Equivalent FTE)

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equalization/PD&M	14.5	14	13.5	13.5	12.8	12.05	12.05	11.75	11.5
Local Assessing	0	0	0	0	0	1.75	1.75	1.75	2.25
Total	14.5	14	13.5	13.5	12.8	13.8	13.8	13.5	13.75

Recent Changes

- ❑ The Equalization Department now performs assessment administration services to two local units. In addition to Grand Haven City, the Ottawa County Board of Commissioners signed a contract for this department to provide local assessment services to Crockery Township
- ❑ An additional ½ time abstracting and indexing clerk position was added to our department to assist us with fulfilling the new Crockery Township contract. We welcomed Cheryl Deal to our staff.
- ❑ 2014 marked the start of the implementation of the new personal property tax exemption. Business owners could apply for an exemption from personal property taxes where the total purchase price all equipment used by the business, including leased equipment, did not exceed \$80,000.
To continue receiving this new exemption, an exemption application must be filed each year with the local unit no later than February 10.



Main Functions of the Equalization Department

□ Set up of this Report

- This report is divided up into two sections.
 - The first is a narrative describing the two main functions of the department.
 - The second is a report of various facts and figures.



□ Main Functions of the Department

- The two main functions of the Equalization Department are to assist the County Board of Commissioners with;
 - Preparation of the Board of Commissioner's Equalization Report
 - Preparation of the Board of Commissioner's Apportionment Report.



□ Where to Start?

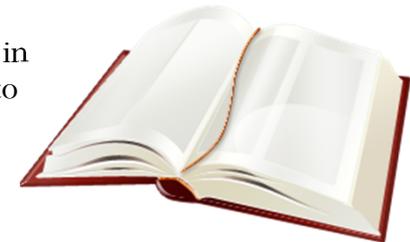
- The next few pages provide a short explanation of each function.
- We will start with the Equalization Report.



MCL 211.34 establishes the Equalization Department to assist the Board of Commissioners with preparation of their Annual Equalization Report.



- ❑ 211.34 (1) M.C.L. The county board of commissioners in each county shall meet in April each year to determine county equalized value which equalization shall be completed and submitted ... to the state tax commission before the first Monday in May. ...
- ❑ 211.34 (2) M.C.L. The county board of commissioners shall examine the assessment rolls of the townships or cities and ascertain whether the real and personal property in the respective townships or cities has been equally and uniformly assessed at true cash value. If, on the examination, the county board of commissioners considers the assessments to be relatively unequal, it shall equalize the assessments by adding to or deducting from the valuation of the taxable property in a township or city an amount which in the judgment of the county board of commissioners will produce a sum which represents the true cash value of that property, and the amount added to or deducted from the valuations in a township or city shall be entered upon the records. The county board of commissioners shall also cause to be entered upon its records the aggregate valuation of the taxable real and personal property of each township or city in its county as determined by the county board.
- ❑ 211.34 (2) M.C.L.(continued) The county board of commissioners shall also make alterations in the description of any land on the rolls as is necessary to render the descriptions conformable to the requirements of this act. After the rolls are equalized, each shall be certified to by the chairperson and the clerk of the board and be delivered to the supervisor of the proper township or city, who shall file and keep the roll in his or her office.
- ❑ 211.34 (3) M.C.L. The county board of commissioners of a county shall establish and maintain a department to survey assessments and assist the board of commissioners in the matter of equalization of assessments, and may employ in that department technical and clerical personnel which in its judgment are considered necessary. The personnel of the department shall be under the direct supervision and control of a director of the tax or equalization department who may designate an employee of the department as his or her deputy. The director of the county tax or equalization department shall be appointed by the county board of commissioners. The county board of commissioners, through the department, may furnish assistance to local assessing officers in the performance of duties imposed upon those officers by this act, including the development and maintenance of accurate property descriptions, the discovery, listing, and valuation of properties for tax purposes, and the development and use of uniform valuation standards and techniques for the assessment of property.



Preparation of the Equalization Report to the Board of Commissioners as required by MCL211.34



□ Sales Studies

- From the Register of Deeds system, recorded property transfer documents are electronically received, reviewed, and compared with the local unit assessment rolls. Splits and incorrect property descriptions are set aside for further processing.
- The remaining documents are then imported into our system. They are matched with PTA's and other documents used to verify sales prices. All documents must then be reviewed to determine their status for use in our sales studies.
- The Director reviews all sales and compiles sales studies. Sales studies are used to determine the starting ratios in all residential classes. Appraisal studies are used in the other classes.
- Sales studies are sent to the local units for their review before being entered on the L4018 forms.
- These sales documents are accessible on *miottawa.org* and provide another means of accessing the Register of Deed's documents.

□ Appraisal Studies

- The Appraisers field inspect, list, and analyze all usable vacant sales except small residential lots. They also analyze all improved agricultural, commercial and industrial sales. Of these sales, the appraisers field inspect all sales usable for computing economic condition factors.
- In cooperation with the appraisers, the deputy director analyzes sales data and computes the land values and economic condition factors used in the current year's appraisal studies.
- The appraisers select representative, random samples for each class studied, field inspect, draw up and price all parcels selected using land value and ECF data previously derived.
- The appraisers trade work they have done with other appraisers for review and corrections.
- Once complete, the studies are submitted to the equalization director for review and comments then sent to the local unit for their review before being entered on the L4018 forms.



Preparation of the Equalization Report to the Board of Commissioners as required by MCL211.34

❑ Personal Property Studies

- ❑ We first select random samples of Commercial and Industrial personal property accounts for audit or record verification.
- ❑ For those accounts where we do audits we review the results with the owners and the local units. The results are then compiled for use on L4018s.
- ❑ From lists provided by the local units, we have begun to audit personal property accounts where the business was granted the new personal property tax exemption.



❑ Equalization Forms

- ❑ L4018s are completed and submitted to the STC by December 31 of each year giving the starting ratios in each class, in each unit.
- ❑ The local assessors complete and submit their assessment rolls to the Equalization Department. Assessment rolls are imported, and new, loss and adjustments on the L4021 are audited.
- ❑ L4023 forms are compiled from audited assessment rolls. These forms determine whether or not the local unit has brought their ratios in each class to between 49% and 50%.
- ❑ Results are summarized, the official Equalization Report is completed and presented to the County Board for its approval.
- ❑ We import, review, compile and balance L4025 figures for use in various millage rollbacks.
- ❑ We import, review, compile, and balance principal residence exemption figures.

Maintenance of Accurate Property Descriptions and Property Tax Maps

Assistance ... in accordance with MCL211.34(3)



Property System Maintenance

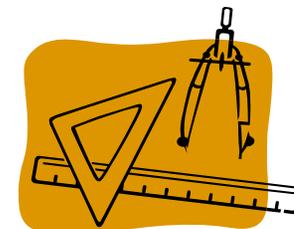
- Our department assists local units in the development and maintenance of accurate property descriptions, assigning new parcel numbers for all splits, consolidations, subdivision lots, condominium units, and buildings on leased land, along with their use of our parcel mapping.
- We import and export data to and from the local units. Names and addresses are updated regularly. Values are updated during the equalization process and at other times such as principal residence exemptions deadlines. Our tax descriptions are exported to the local units. Ordered value changes are entered in our assessing system, and compared to the local units values.
- We work with the County Treasurer's Office and the local units to maintain the accuracy and balance between our systems. Crosschecking and balancing assessment roll data allows us to maintain an accurate countywide database of all assessment rolls. This data is also used as the source for the property information available on the county website.

- A Split History System is maintained for all splits back to 1975. This information is made available to the local units, other county departments, and the public through the property search function on the county website.

Mapping/GIS Maintenance

- Our mapping technicians also maintain the parcel and related layers in the county GIS using recorded documents, surveys, and information from local units as the basis for these updates. All work is checked and sent to the local assessors for use in assessment and tax rolls.
- The mapping technicians continue to make modifications and corrections to data in the GIS. This work improves the quality and reliability of the system. At the end of April 2012 the GIS Department installed a program that tracks parcel polygon editing. This will help us monitor where changes have been made.

□



Property Assessment Services for the Local Units

Assistance ... in accordance with MCL211.34(3)

□ Assessment Administration for the City of Grand Haven and Crockery Township

- By the authority given them under MCL 211.34(3), the Board of Commissioners have contracted with the City of Grand Haven and the Township of Crockery to provide them with assessment administration services.
- As the County Equalization Director, my certification is used and I am held responsible for supervising and preparing the assessment roll and all other associated documents and reports.
- Joshua Morgan manages these projects, with the assistance of various department staff.

□ Responsibilities

□ Assessment Roll Preparation

- 20% review and update each year of all classes of real property.
- Land values and ECF computations
- Building permits and Act 25 forms
- Name & address changes
- Review and process sales
- Uncapping & PRE changes
- Splits and combinations
- Personal property discovery and processing
- Assessment change notices
- Numerous State forms
- Full tribunal and small claims appeals
- March, July and December Board of Review

□ Other Duties

- Public contact, questions, etc.
- Special assessment processing

□ Special Projects

- Reappraisal of classes of property, when need ed.





The Equalization Department is also to assist the Board of Commissioners with the apportionment of money to be raised.

- ❑ 211.37 M.C.L. The county board of commissioners, either at a session held not later than October 31 in each year or at a special meeting held for a local tax collecting unit that approves under section 44a(2) the accelerated collection in a summer property tax levy of a millage that had been previously billed and collected as in a preceding tax year as part of the winter property tax levy, shall ascertain and determine the amount of money to be raised for county purposes, and shall apportion the amount and also the amount of the state tax and indebtedness of the county to the state among the several townships in the county in proportion to the valuation of the taxable real and personal property as determined by the board, or as determined by the state tax commission upon appeal in the manner provided by law for that year, which determination and apportionment shall be entered at large on county records. The board, at a session held not later than October 31 in each year, shall also examine all certificates, statements, papers, and records submitted to it, showing the money to be raised in the several townships for school, highway, drain, township, and other purposes. It shall hear and consider all objections made to raising that money by any taxpayer affected. If it appears to the board that any certificate, statement, paper, or record is not properly certified or is in any way defective, or that any proceeding to authorize the raising of the money has not been had or is in any way imperfect, the board shall verify the same, and if the certificate, statement, paper, record, or proceeding can then be corrected, supplied, or had, the board shall authorize and require the defects or omissions of proceedings to be corrected, supplied, or had. The board may refer any or all the certificates, statements, papers, records, and proceedings to the prosecuting attorney, who shall investigate and without delay report in writing his or her opinion to the board. The board shall direct that the money proposed to be raised for township, school, highway, drain, and all other purposes authorized by law shall be spread upon the assessment roll of the proper townships, wards, and cities. This action and direction shall be entered in full upon the records of the proceedings of the board and shall be final as to the levy and assessment of all the taxes, except if there is a change made in the equalization of any county by the state tax commission upon appeal in the manner provided by law. The direction for spread of taxes shall be expressed in terms of millages to be spread against the taxable values of properties and shall not direct the raising of any specific amount of money. This section does not apply when section 36(2) applies and shall not prevent the township clerk from providing a certification to the county clerk pursuant to section 36(1). If a certification is provided pursuant to section 36(1), the county board of commissioners shall meet and direct or amend its direction for the spread of millages by local units in the county pursuant to the certification.

- ❑ 207.12 M. C. L. The director of the tax or equalization department in each county in this state, as soon as possible after the equalization of the board of commissioners of the county of the assessment rolls of the municipalities in that county, and not later than December 1 in each year, shall make a report, duly certified, to the state board of assessors, on a form to be provided by the state board of assessors, of the amount of ad valorem taxes to be raised in the municipalities in that county for state, county, municipal, township, school, and other purposes,

Preparation of the Annual Apportionment Report to the Board of Commissioners as required by MCL 211.37 & MCL 207.12

□ Annual Apportionment Report and Related Forms

- The Apportionment process begins each year with computing the millage reduction fractions. The millage reduction fractions are used to calculate allowable millage for each tax rate request.
- Each taxing entity is provided its millage reduction fractions along with a sample tax rate request form and a truth in taxation confirmation checklist.
- Tax rate and debt service requests are collected and audited by the Equalization Department on behalf of the Board of Commissioners.
- We also monitor expiration of millages, and ballot language on proposals requesting a millage. This helps insure that each request is timely and will meet the requirements to be levied.
- Tax rate requests are incorporated into the apportionment report which is used by local units for tax billing. The tax rate requests are also used in various other reports required by the county and local units.
- Taxable Value can no longer be tracked from the equalization report to the apportionment report. The value of certain “Senior Citizen and Disabled Family Housing” properties are still reported with ad valorem values on the assessment rolls, but are now listed on a separate tax roll.
- PA 184 & 185 of 2012 allow local units to adopt resolutions authorizing the collection of winter taxes on the summer tax roll for parcels where the total winter amount is \$100 or less.
- Three cities took advantage of this in 2014.
- There is now an added millage certification and apportionment in June for those taxes that used to be levied in the winter but will now be levied in the summer. For the most part this is the County Parks millage, the County E-911 millage, and one district library.



Other Duties



❑ Damage Assessment

The Equalization Department is responsible for gathering damage assessment information from local units in the event of a disaster. Department staff also assist local units when local units request assistance. We participate in training exercises when requested.

❑ Forecasting

To assist with budgeting, we make projections of future taxable value based on the limited information available.



❑ Requests for Information

We fill Freedom of Information Act requests for countywide assessment roll data, We also fill requests from the schools, other taxing units, and financial advisory companies for various statistics.

❑ Other Assistance to Local Units

In addition, we assist the local units by developing uniform standards and updating them on recent law changes. We also provide technical assistance to the local units in areas such as valuation appeals, assessing procedures, and millage questions.

❑ Extra

❑ A number of years ago, I was appointed by the State Tax Commission to serve as an instructor, guiding candidates through the new Michigan Master Assessing Officers Training program. As part of the Michigan Advance Assessing Officers program, I also teach a class on statistics, for which I wrote the text used in the class.

❑ Jim Bush, Deputy Director, serves as President of the Mid Michigan Assessors Association.

According To The Numbers



Sales Studies - Analysis of the market begins with sales

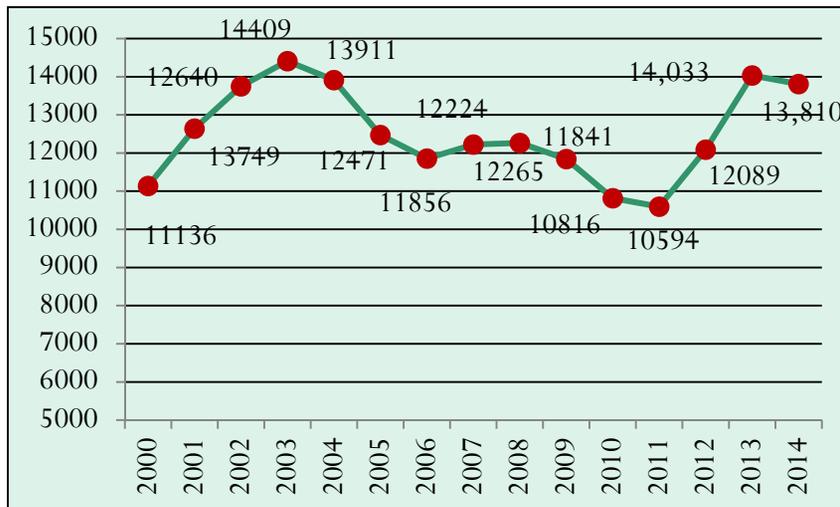


□ Sales Entered in the Equalizer database

All classes of property

(December 1 through November 30)

- 2000 - 11,136 2006 - 11,856 2012 - 12,089
- 2001 - 12,640 2007 - 12,224 2013 - 14,033
- 2002 - 13,749 2008 - 12,265 2014 - 13,810
- 2003 - 14,409 2009 - 11,841
- 2004 - 13,911 2010 - 10,816
- 2005 - 12,471 2011 - 10,594



□ Results of Residential Sales Studies

(Percent change does not include net new construction, etc.)

Study Year	Percent Change	# of Sales 2 yr period	Sales Used	# of 1 yr Studies
2002 for 2003Eq	6.55%	8,799	8,799	0
2003 for 2004Eq	4.78%	8,989	8,989	0
2004 for 2005Eq	5.09%	8,868	8,868	0
2005 for 2006Eq	6.07%	8,478	8,478	0
2006 for 2007Eq	4.66%	8,006	8,006	0
2007 for 2008Eq	1.14%	7,101	5,716	8
2008 for 2009Eq	-3.42%	5,867	2,568	19
2009 for 2010Eq	-6.61%	3,676	1,638	22
2010 for 2011Eq	-3.52%	4,086	2,333	19
2011 for 2012Eq	-2.84%	4,562	2,208	19
2012 for 2013Eq	1.17%	5,203	4,871	6
2013 for 2014Eq	5.15%	6,966	6,951	1
2014 for 2015Eq	6.33%	8,204	8,204	0

According To The Numbers

Appraisal Studies are done where there are insufficient sales for a Sales Study.

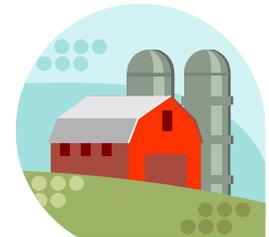
❑ First is an analysis of the market

- ❑ About 371 Agricultural, Commercial, and Industrial sales documents were analyzed and investigated by staff appraisers.
 - ❑ Over 175 of the sales analyzed were field inspected and appraised, all assist us with understanding the current real estate market. 80 of the sales analyzed were added to the ECF studies as follows;
 - ❑ 3 in the Agricultural ECF
 - ❑ 65 in the Commercial ECF
 - ❑ 12 in the Industrial ECF
 - ❑ 26 Commercial and Industrial condominium sales were analyzed, field reviewed, and listed for use in appraisal studies.
 - ❑ 103 new Agricultural, Commercial, and Industrial vacant land sales were appraised and added to the vacant land sales studies.
- ❑ 80 new sales of improved residential properties were appraised and added to the Residential ECF study for use in the Agricultural appraisal studies.



❑ Appraisal Studies

- ❑ Representative samples are selected and appraised. The following is the breakdown of the appraisals used in the 2014 studies for 2015 equalization;
 - 365 Agricultural parcels
 - 483 Commercial parcels
 - 408 Industrial parcels
 - 16 Developmental parcels
 - 1,272 Total Appraisals for studies
- ❑ **Total approximate number of appraisals done in 2014 for 2015**
 - 384 Total Appraisals of sales
 - 1,272 Total Appraisals for studies
 - 1,656 Total Appraisals
- ❑ Staff appraisers also spent time assisting the local assessing team.



According To The Numbers

Personal Property Studies



□ Big Changes This Year

The positions of Personal Property Auditor was eliminated in 2012. Auditing personal property and assisting with the administration of personal property has been transferred to the new position of Administrative Assistant. This new position also now handles the annual apportionment report, in addition to other duties.

□ 12 Personal property audits and 103 record verifications were conducted during 2014 for use in the Equalization studies (L4018s). Less audits are now conducted than when we had a full time personal property auditor.

□ In addition to audits and record verifications, we have begun audits of those that have applied for the new personal property exemption. 10 of these audits were conducted, working from lists of questionable exemptions received from local assessors.



□ More Changes Coming With the Repeal of Some Personal Property Taxes.

□ Beginning in 2014, businesses with commercial or industrial personal property with a combined local tax collecting unit true cash value of under \$80,000 began applying for a property tax exemption. NOTE - This exemption must be applied for annually.

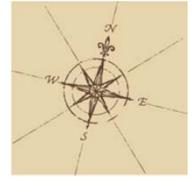
□ As the voters gave their approval at a state wide election in 2014, qualified industrial personal property will start the process of becoming exempt beginning in 2016. A substantial loss in taxable value due to this exemption will be seen in 2016, with a large portion of the loss reimbursed by the State.

□ The implementation of the new law has changed, but not eliminated the work needed in the area of personal property.

□ Other Duties

We oversee the printing and mailing of Personal Property forms for most local units.

According To The Numbers



Maintenance of accurate property descriptions and property tax maps

Property System Maintenance

- 1183 new real parcel numbers assigned, property records created, tax descriptions written and checked.
- 614 new personal property and special acts parcels were created.
- 788 old (parent) parcels were retired.
- 2,984 descriptions were edited.
- 107,540 real and 8,151 personal property records maintained and regularly updated. These figures include exempt properties and special rolls.
- 1,681 ordered changes to assessment rolls processed and verified with local units.
- 153 name and address imports, and over 100 values imports from local units were processed.
- 5 FOIA requests for county wide data were processed.

Mapping/GIS Maintenance

- 106,220 real property parcels were maintained in the GIS.
- 1,092 new property parcels were created along with road right-of-ways and various associated layers.
- 5 new subdivisions (6 last year), 12 new condominiums (8 last year), and 49 amended condominiums (37 last year) were mapped in the GIS.
- 9,167 parcel were modified or created along with road right-of-ways and related associated layers. 1,092 of these edits were newly created parcels.



According To The Numbers



Principal Residence Exemption Audit Program

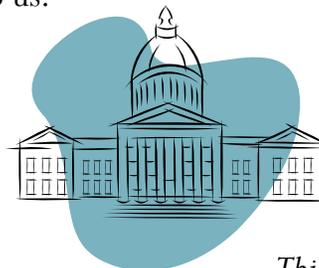
PRE Audit Program

In 2003, legislation was passed allowing counties to audit principal residence exemptions. Though required by law, the State did not have an active audit program. In the interest of fairness and equity we took on this project.

- ❑ We audited Principal Residence Exemptions between 2003 and 2010, when the State began their audit program. During those years we issued a total of 738 denials.
- ❑ The County Board of Commissioners commitment to this program ended in September of 2014.

STC Took Over Audits in 2011

- ❑ In 2011, Ottawa County was added to a long list of other counties where the State Tax Commission had assumed their statutory responsibility for auditing PRE Exemptions. The STC contracted with Tax Management Associates to perform these audits. TMA's auditors have access to more State records than were available to us.
- ❑ 159 denials were issued by the STC in 2011.
- ❑ 108 denials were issued by the STC in 2012.
- ❑ 61 denials were issued by the STC in 2013.
- ❑ 52 denials were issued by the STC in 2014.



Money Brought in From PRE Audits

Source: County Treasurer's Office

Year	School Operating Taxes	Total Interest Collected *
2004	\$339,900	\$44,529
2005	\$243,400	\$22,183
2006	\$113,327	\$14,550
2007	\$152,452	\$11,942
2008	\$159,371	\$13,290
2009	\$71,606	\$6,892
2010	\$105,412	\$6,504
2011	\$138,586	\$9,743

(2011 figures are from 2010, the last year we conducted audits)

2012	\$167,729	\$11,049
2013	\$215,424	\$11,898
2014	Numbers not yet available	

* The above figures include all interest paid. The portion now kept by the County has decreased substantially since the State took over auditing PRE's



This will be the last year reporting on the PRE Audit program.

According To The Numbers

Property Assessment Services for Local Units

❑ Preparations for 2014 Assessment Roll

January of 2014 through April of 2014 was spent analyzing and applying market data, valuing personal property, and assisting the March Board of Review as they certify the completed assessment roll.

❑ Preparations for 2015 Assessment Roll

- ❑ April of 2014 through January of 2015 have been busy with processing sales and Principal Residence Exemption data, inspecting new construction, and reviewing existing assessment data in preparation for the 2015 assessment roll.

❑ Welcome Crockery Township

- ❑ On June 1, 2014 Ottawa County board of Commissioners contracted with Crockery Township to provide assessment administration services.
- ❑ An additional ½ time abstracting and Indexing Clerk was added to our staff to assist us with this project.



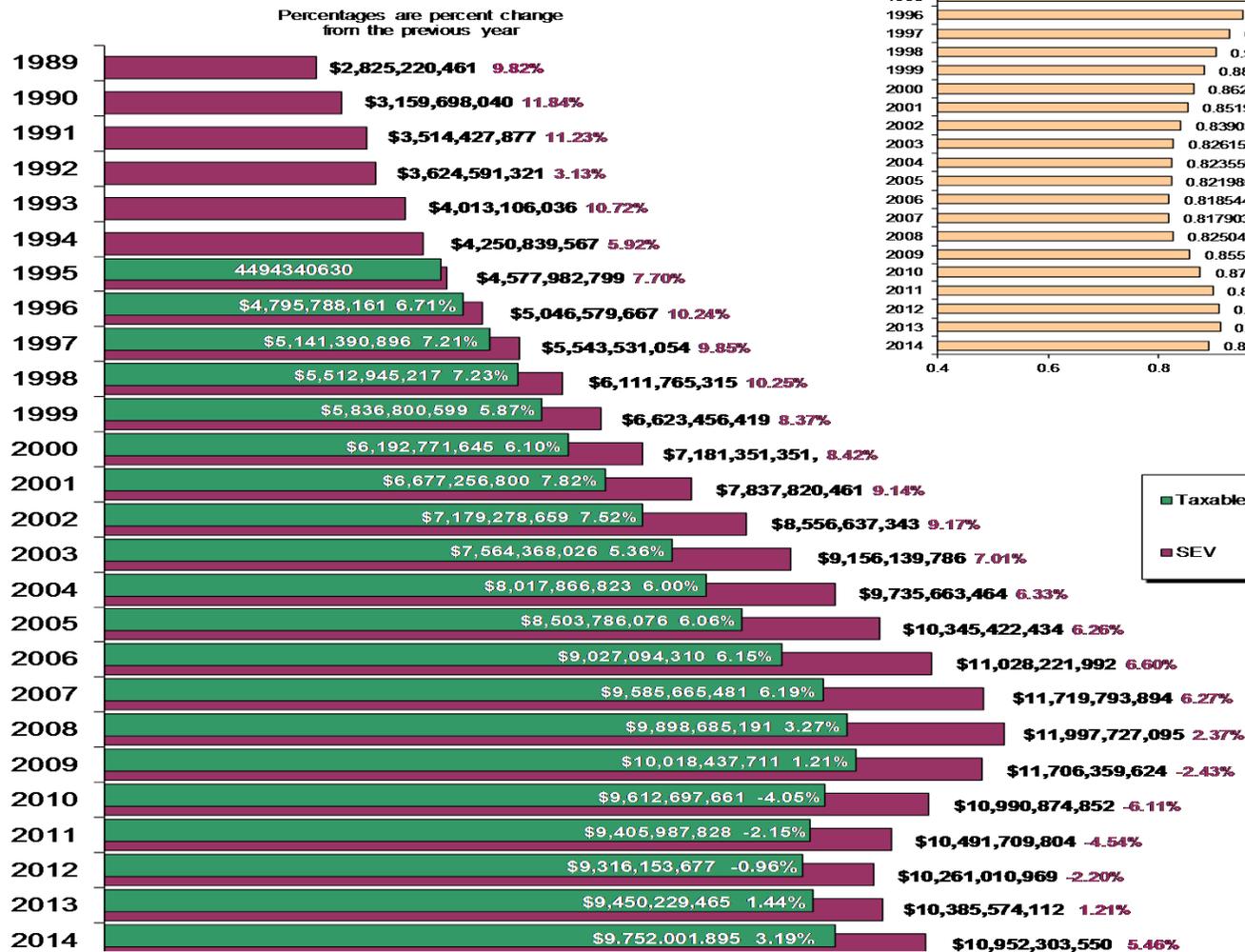
❑ Michigan Tax Tribunal Cases

- ❑ Since we assumed assessment administration duties for the City of Grand Haven, the Michigan Tax Tribunal has been busy relieving their backlog of cases.
- ❑ By our review of many assessment records as well as working directly with taxpayers prior to appeal, we have been able to steadily reduce the number of appeals from a high of 18 filed in 2009 to 5 Full Tribunal filed in 2014.
- ❑ Joshua Morgan has successfully negotiated settlements or received favorable judgments on many of these cases; a difficult and time consuming task.

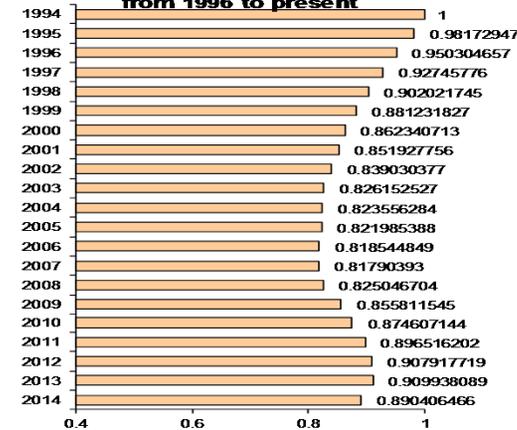


According To The Numbers

County Equalized and Taxable Value by year (From 2014 EQ Book)



Taxable Value as a Percent of Assessed Value from 1996 to present



2015 Estimate

5% TV increase *

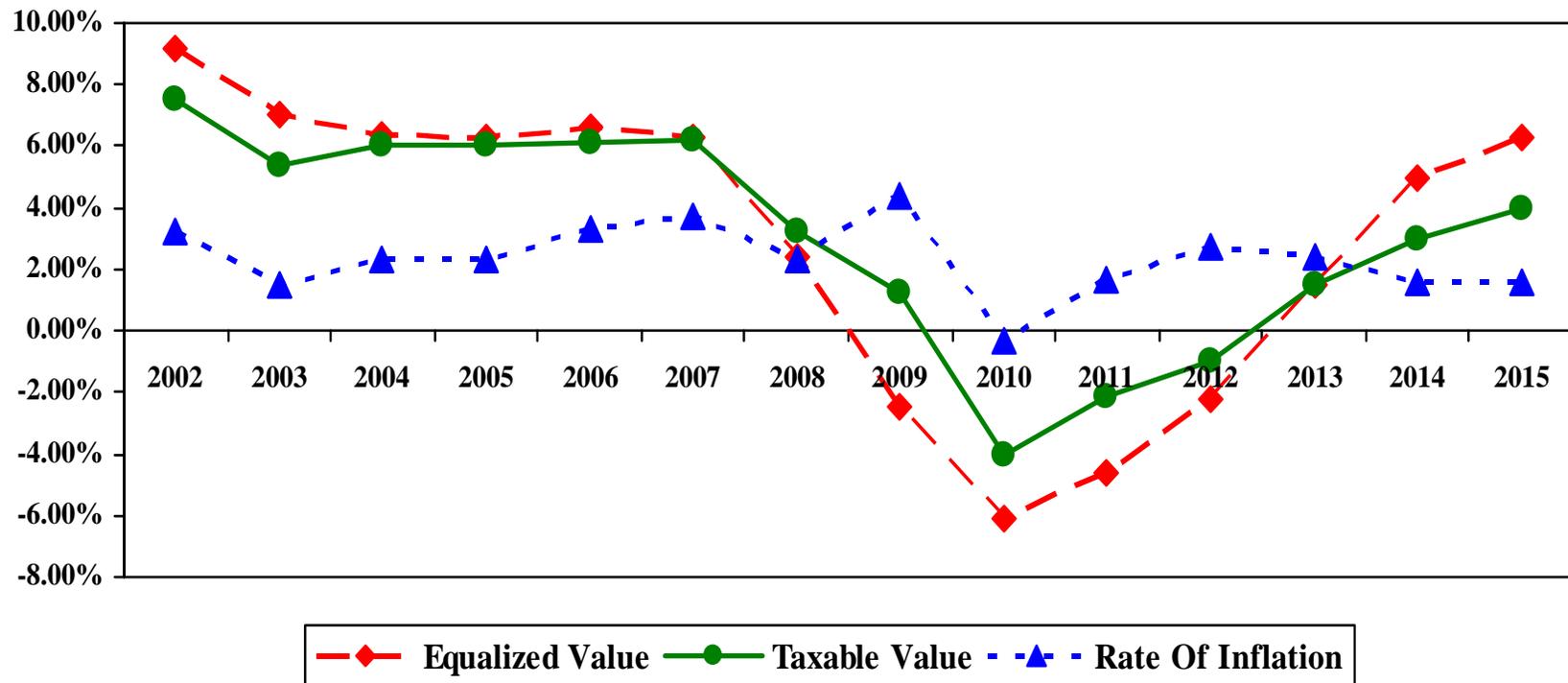
7.3% SEV increase*

* Subject to Consumers Power appeal representing 1% of the total increase

According To The Numbers

Change in Assessed and Taxable Values vs. The Rate of Inflation

- The figures below are taken from each year's Equalization Report and include net new construction.
- It is interesting to note the steady climb out of the depths of the recession back in 2010.
- This trend will be interrupted for 2016 when a large portion of the industrial personal property tax base goes to exempt.
- Note, the 2015 estimates below were adjusted downward by, 1% for the Consumers Power appeal in Zeeland City.
- *PLEASE NOTE: 2015 numbers are estimated!! The equalization studies are not yet complete.*



According To The Numbers

Summary of 2014 Studies for 2015 Equalization

- ❑ *Explanation of “Tentative 2015 Ottawa County Equalization” and the impact they will have on our tax base.*
- ❑ On the next page titled “Tentative 2015 Ottawa County Equalization” are the factors and ratios for each class of property in each local unit. They will be published, as required, in the Grand Rapids Press before the third Monday in February.
- ❑ These figures are based on 2014 Equalization, as adopted by the Board of Commissioners, and studies conducted by the Ottawa County Equalization Department during 2014. These ratios and multipliers are prior to any adjustment by the local assessor.
- ❑ If the ending ratio in a class, after adjustment, is under 49.00% or over 50.00% when local assessors have completed their 2015 assessment rolls, the class of property is subject to a County Equalization Factor to bring the class to 50.00%.
- ❑ 1998 was the last year any County Equalization Factors were needed. After adjustment by the local assessors and Boards of Review, a 1.0000 factor is again expected in all classes.
- ❑ Note that property taxes are paid on Taxable Value which may be unrelated to Equalized Value. The rate of inflation of 1.60% will be used for the 2015 assessment rolls.



According To The Numbers

Summary of 2014 Studies for 2015 Equalization



TENTATIVE 2015 OTTAWA COUNTY EQUALIZATION

In compliance with Act 165, P.A. 1971, (211.34a) which reads in part as follows: "The Equalization Director of each county shall prepare a tabular statement each year by the several cities and townships of the county, showing the tentative recommended equalization ratios and estimated multipliers necessary to compute individual state equalized valuation of real property and of personal property. The county shall publish the tabulation in the newspaper of general circulation within the county on or before the third Monday in February each year and furnish a copy to each of the Boards of Review in the county and to the State Tax Commission. All notices of meetings of the Boards of Review shall give the tentative ratios and estimated multipliers pertaining to their jurisdiction," we offer the following ratios and factors.

These figures are based on the 2014 Equalization, as adopted by the Board of Commissioners, and studies conducted by the Ottawa County Equalization Department during 2014. These ratios and multipliers are prior to any adjustment. After adjustment by the local Assessors and Boards of Review, a 1.0000 factor is expected in all classes.

Note that the property taxes are paid on Taxable Value which may be unrelated to Equalized Value.

TOWNSHIPS	AGRICULTURE		COMMERCIAL		INDUSTRIAL		RESIDENTIAL		TIMBER-CUT OVER DEVELOPMENTAL		PERSONAL			
	REAL Ratio	(100) Factor	REAL Ratio	(200) Factor	REAL Ratio	(300) Factor	REAL Ratio	(400) Factor	REAL Ratio	(500) Factor	REAL Ratio	(600) Factor	(All classes) Ratio	Factor
Allendale Ch.	51.07	0.97912	48.20	1.03732	49.83	1.00343	46.75	1.06952	-	-	-	-	50.00	1.00000
Blendon	47.29	1.05731	49.07	1.01896	47.14	1.06068	46.41	1.07736	-	-	-	-	50.00	1.00000
Chester	49.30	1.01420	48.95	1.02146	49.89	1.00227	46.19	1.08249	-	-	-	-	50.00	1.00000
Crockery	48.98	1.02083	49.67	1.00665	50.65	0.98717	48.81	1.02439	-	-	-	-	50.00	1.00000
Georgetown Ch.	47.83	1.04537	48.24	1.03647	49.92	1.00161	46.28	1.08039	-	-	-	-	50.00	1.00000
Grand Haven Ch.	50.81	0.98402	50.20	0.99599	49.00	1.02038	48.68	1.02712	-	-	-	-	50.00	1.00000
Holland Ch.	44.21	1.13102	47.13	1.06090	48.88	1.02292	46.04	1.08602	-	-	-	-	50.00	1.00000
Jamestown Ch.	50.07	0.99861	48.11	1.03929	49.02	1.02000	47.10	1.06158	-	-	-	-	50.00	1.00000
Olive	48.51	1.03072	50.85	0.98329	49.73	1.00546	45.87	1.09004	-	-	49.78	1.00447	50.00	1.00000
Park	49.21	1.01606	48.29	1.03542	-	-	47.93	1.04319	-	-	-	-	50.00	1.00000
Polkton Ch.	46.30	1.07992	48.35	1.03413	50.18	0.99642	48.51	1.03072	-	-	-	-	50.00	1.00000
Port Sheldon	55.70	0.89767	52.85	0.94608	50.07	0.99855	48.64	1.02797	-	-	-	-	50.00	1.00000
Robinson	49.28	1.01462	50.87	0.98290	48.76	1.02539	48.32	1.03477	-	-	-	-	50.00	1.00000
Spring Lake	51.40	0.97277	47.09	1.06171	48.71	1.02649	46.78	1.06884	-	-	-	-	50.00	1.00000
Tallmadge Ch.	48.52	1.03059	43.78	1.14220	49.70	1.00604	48.26	1.03606	-	-	-	-	50.00	1.00000
Wright	44.84	1.11513	49.16	1.01709	49.63	1.00746	45.39	1.10157	-	-	-	-	50.00	1.00000
Zeeland Ch.	44.61	1.12083	51.12	0.97810	50.04	0.99921	46.21	1.08202	-	-	-	-	50.00	1.00000
CITIES														
Coopersville	50.27	0.99463	48.22	1.03692	49.24	1.01544	46.92	1.06565	-	-	-	-	50.00	1.00000
Ferrysburg	-	-	51.58	0.96937	49.81	1.00383	45.87	1.09004	-	-	-	-	50.00	1.00000
Grand Haven	-	-	49.04	1.01956	48.97	1.02104	47.47	1.05330	-	-	-	-	50.00	1.00000
Holland	49.79	1.00427	49.26	1.01512	48.59	1.02902	45.53	1.09818	-	-	49.99	1.00028	50.00	1.00000
Hudsonville	48.79	1.02473	49.84	1.00322	51.26	0.97549	46.23	1.08155	-	-	-	-	50.00	1.00000
Zeeland	50.02	0.99966	47.40	1.05487	49.77	1.00463	45.05	1.10988	-	-	-	-	50.00	1.00000

Ottawa County Equalization Department
Michael R. Galligan, Director

According To The Numbers

Summary of 2014 Studies for 2015 Equalization



Below is a county wide analysis by class of the studies reported on the previous page.

- ❑ The percent change listed **does not include new value added** to the roll, **nor value lost** from the roll. Individual changes will vary by unit (See previous page.) and by individual parcel.
- ❑ Note, the county will accept the local units assessed values if the overall class in that unit is between 49% and 50% as compared to our studies.
- ❑ A ratio of 50% represents no market adjustment.

2014 RATIO As listed on 2013 for 2014 L4018	PROPERTY CLASS	2015 RATIO As listed on 2014 for 2015 L4018	2015 % CHANGE	
			To 50%	To 49%
49.09%	Agricultural	47.98%	4.21%	2.13%
48.08%	Commercial	48.47%	3.16%	1.09%
49.88%	Industrial	49.59%	0.83%	-1.19%
47.55%	Residential	47.02%	6.34%	4.21%
-NA-	Timber Cutover*	-NA-	-NA-	-NA-
50.54%	Developmental**	49.81%	0.38%	-1.63%
47.87%	TOTAL REAL	47.42%	5.44%	3.33%
50.00%	TOTAL PERSONAL	50.00%	-NA-	-NA-
48.00%	TOTAL REAL & PERSONAL	47.59%	5.06%	2.96%

- * No parcels remain in the Timber-Cutover class.
- ** Only 16 parcels remain in the Developmental class

Next Steps



❑ Statutory Duties

- ❑ Our emphasis will again be on performing the required audits of the local unit assessment rolls and preparation of the annual apportionment report.
- ❑ We will also continue to maintain uniform standards and to help local units balance their assessment rolls.
- ❑ We will continue to provide high quality assessing services to the City of Grand Haven and Crockery Township.
- ❑ When requested, we will provide estimated costs for assessing services for other local units.

❑ New Challenges

- ❑ The recent changes to the assessment of personal property will present many new challenges and adjustments to how we assess and study personal property.



Conclusion

□ Summary

We have performed the statutory duties in the area of equalization studies, apportionment reports and statistical reports, as well as providing property tax maps and description maintenance along with other guidance and assistance to local units. In addition we provided assessment administration services to the City of Grand Haven and Crockery Township.



□ In Conclusion

I would like to thank the Equalization Department staff for their cooperative effort and am grateful for their valuable input.

I would also like to thank the local unit assessors for their cooperation and their willingness to work together.

