

Frequently Asked Questions

When will my property be evaluated?

The taxable status of real and personal property for a tax year shall be determined as of each December 31 of the immediately preceding year, which is considered tax day. An assessing officer is not restricted to any particular period in the preparation of the assessment roll but may survey, examine, or review properties at any time prior to or after the tax day.

Why do assessed values change from year to year?

When market value changes, naturally so does assessed value. For instance, if you were to increase the total market value of a parcel of property by building a garage, the assessed value would increase proportionately.

Similarly, should a property value be decreased because of a fire or other catastrophe, the assessed value would decrease to show the downward effect of the damage on the market value of the property. The economy of the entire community affects assessed value. For example, over the years more property owners have rehabilitated or invested in new construction in and around the City of Alpena; and property values within most of the City have increased. Conversely, with the recent downturn in the economy, asking prices and selling prices are dropping and the assessments should reflect this. The Assessor has not created this value, he simply has the legal responsibility to discover it as it exists and appraise property accordingly. People make value by their transactions in the market place.

If I repair my home will my assessment go up?

Yes, unless you file a "Request for Nonconsideration of the True Cash Value of Normal Repair Replacement and Maintenance Expenditures" form. Form number 865, formerly L-4293. Normal repairs and maintenance such as siding, windows, porches, roof, heating systems, painting and interior remodeling will not be added to the assessed value until you transfer the property to someone else. Expenses which are part of a structural addition do not qualify. Forms are handed out with building permits or you can pick one up at the assessor's office or download from the Assessor's web page. This law only applies to property classified as residential.

What is a Property Transfer Affidavit?

P.A. 415 defines transfers and requires that whenever a property transfers ownership, a Property Transfer Affidavit must be filed with the assessing officer (even if you are not recording a deed). This affidavit must disclose the following: (1) The parties to the transfer, (2) The date of the transfer, (3) The actual consideration for the transfer, and (4) The property identification number or legal description. The property Transfer Affidavit must be filed within 45 days of transfer.

What is the deadline for filing a principle residence exemption affidavit?

The filing deadline is June 1 of each year.

I moved to a different home before the June 1 filing deadline. May I claim my new home?

Yes. If you buy a new home and move into it before the June 1 filing deadline, you may claim the exemption on the new home. New residences may be claimed by filing a PRINCIPAL RESIDENCE EXEMPTION AFFIDAVIT (FORM 2368) that is available at closing. If your agent does not provide you with a FORM 2368, you can stop by the Assessor's office at city hall and pick one up or call the Assessor's office at (989) 3541740 and we will send one to you, or you can download it off the Assessor's web page.

Can I, as closing agent, be held liable to a buyer or seller if the buyer is not granted a principle residence exemption because I did not provide either an update or an affidavit form, or I did not submit their form on time?

Closing agents are required to provide either an affidavit or update form at closing. However, PA 415 of 1994 does not provide a legal course of action against the closing agent, by the buyer or seller, if the agent fails to provide a principle residence exemption form or fails to file the form with the local tax collecting unit.

RESCINDING AN EXEMPTION:

When I claim an exemption on my new residence, what happens to the exemption on the residence I sold?

The exemption on your old home remains in effect until December 31 of the year your home is sold. If you move to your new residence before your first home is sold, the exemption expires on December 31 of the year you move out. You must rescind the principle residence exemption within 90 days of the date you no longer own or occupy the property as your principal residence. You may rescind your exemption on the REQUEST TO RESCIND/WITHDRAW PRINCIPLE RESIDENCE EXEMPTION FORM (Form 2602) at closing. If your agent did not provide you with the Form 2602, download it from the Assessor's web page, or stop by the Assessor's office at city hall and pick one up or call the Assessor's office at 354-1740, and we will send one to you.

I am moving into a new home and converting my current home to a rental property in November. Do I have to rescind the exemption on my current home?

Yes, within 90 days of moving. The exemption will remain in place until December 31 of the year the use is changed from your principal residence to a rental property.

What happens when a lender has foreclosed on a mortgage and the home is now vacant?

The lender must rescind the principle residence exemption using the REQUEST TO RESCIND/WITHDRAW PRINCIPLE RESIDENCE EXEMPTION FORM (Form 2602). If you need a Form 2602, download it from the assessor's web page, or call the Assessor's office at 354-1740, and we will send you one.

RESIDENCY:

What determines principal residence?

The test the Michigan Department of Treasury uses to determine principal residence includes such things as where you are registered to vote, the address on your driver's license, where your children attend school, and the address from which you file your income tax returns.

I own two homes in Michigan. For which home do I claim the exemption?

Claim the exemption for the home you occupy as your principal residence.

I have a home in Michigan and in another state. May I claim an exemption on my Michigan home?

You must be a Michigan resident to claim this exemption. You may claim your Michigan home only if you own it and occupy it as your principal residence. You may not have more than one principal residence.

OWNERSHIP:

May renters file for this exemption?

No. You must own your principal residence to claim an exemption for it.

My children own my home, but I hold a life estate. May I claim the exemption?

Yes. Complete the affidavit using your name, address, social security number, and signature. Your children should not sign the affidavit.

I am leasing my home with an option to buy. May I claim my home?

No. Leasing with an option to buy is considered a rental arrangement, so the home is ineligible. When you exercise the option to buy, you may claim an exemption.

QUALIFIED HOMESTEAD PROPERTY:

I live in a nursing home but still maintain a home. May I claim an exemption on the home I own?

Yes, unless the home is rented to another person.

I own the lot adjoining and contiguous to my home, and it has a different property identification number than the parcel on which my homestead is located. May I also claim an exemption on this property?

You may claim an exemption on this property as long as the property claimed is adjoining or contiguous to your home. A road does not break contiguity. File an affidavit for each parcel.

MULTI-PURPOSE PROPERTY:

I live in part of my home and operate a business in another part. May I claim an exemption?

Yes, but only on the portion of the property that is your home. You may claim the partial exemption even if the property is classified as commercial.

I rent a room in my home to a boarder. May I still claim an exemption?

Yes. If more than 50 percent of your home is used as your principal residence, you may claim an exemption for your entire home. If you use 50 percent or less of your home as a principal residence, a percentage of your home that you occupy will be used.

I own a duplex. I live in one unit. My father lives in the other unit but does not pay rent. May I claim an exemption on both units?

You may claim an exemption only on the unit you occupy as your principal residence even if there is an adjoining entrance between the units.