

Tax assessments rise 12-15 percent

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they were faced with an average 35-percent assessment increase — the result of a reappraisal conducted by the Oakland County Equalization Division.

ASSESSMENT NOTICES are expected to be mailed Friday. Only property owners whose assessments are increasing will be notified.

The culprit for increased residential property assessments is the healthy housing sales market in Farmington Hills.

"The market has gone up, pure and simple. The market for the past two years has gone up and up dramatically," Babb said. "We had tremendous growth in the market in 1986. That's what these assessments represent."

Property owners can expect more of the same next year if the market continues at its current levels. "The only thing that would prevent it from going up would be a major recession in the housing market," Babb said. Last year, residential property as-

sessments increased by an average of 6 percent.

The assessment process determines the true cash value of property for the purpose of calculating property taxes. City, school and county tax rates are levied against the assessed value of property. An assessment is generally 50 percent of the "usual selling price" of a house.

To determine assessments, Babb used a 24-month sales study that includes the last three quarters of 1985, all of 1986 and the first quarter

of 1987.

Babb used 182 separate sales studies within the 24-month period to determine property assessments. The 24-month study period no longer includes those months prior to 1985 "when the market wasn't going up as fast," Babb said.

IF BABB used a 12-month instead of 24-month study, assessments would have been higher because the latest 12 months of the Farmington Hills housing market raged. "I would have increases of 34 percent gener-

ally across the board," Babb said. "The assessor is going to use what's better for the taxpayer."

When analyzing the sales study, Babb said he considers all recorded sales. He also looks for unusual sales, whatever the reason, and sales that are contrary to established pattern. He said he takes out sales that give unusual weight to the study.

"The sales study is a sample. We're comparing assessments vs. sales to see where the level will be. We try to make sure we're looking at the usual selling price," Babb said.



Dean Babb assessor explains market

Residents offered tax appeal process

By Joanne Maliszewski staff writer

Farmington and Farmington Hills property owners can challenge their property tax assessments by meeting with the boards of review in March.

Farmington's three-member board of review will meet 9 a.m. to noon and 1-5 p.m. Monday, March 7, and 2-5 p.m. and 7-9 p.m. Wednesday, March 9, in city council chambers, 2360 Liberty.

"We prefer appointments so that way, we don't have everyone coming in at the same time," Farmington assessor John Sailer said.

Additional review days for Farmington property owners will be scheduled if necessary. Appeals may be made in writing, particularly from out-of-town property owners.

Property owners appealing assessments based on hardship must fill out a four-page form before the board of review meetings. Property owners should bring their Michigan Income Tax forms from the previous year.

Farmington Board of Review members are Bill Bliss, Herbert Cumbo and Jon Donohue.

FARMINGTON HILLS' three-member board of review will meet 9 a.m. to 6 p.m. Monday and Tuesday, March 14-15 and 1-9 p.m. Wednesday, March 16. Appointments must be made by 4:30 p.m. March 16. Appeals also can be made in writing.

"You must be able to show that it (assessment) is more than 50 percent of market value," Farmington Hills assessor Dean Babb said.

Under Michigan law, 50 percent of the true cash value of property is the taxable value. True cash val-

ue is the usual selling price of property.

Assessments are based on sales that actually occur in the marketplace, and other factors, including age, lot and house size, quality and type of construction, number of rooms and neighborhood.

When challenging an assessment, make an effort to document your case with examples of comparable housing sold at lower prices than your appraisal or of sales patterns in your neighborhood.

Property owners unhappy with their board of review's action can appeal to the state Tax Tribunal, P.O. Box 30230, Lansing, 48909. The telephone number is 1-517-373-8850. There is no fee.

Tribunal hearings can be held in local county governmental offices. Appeals to the Tax Tribunal must be requested.

TO ASSIST property owners, the Michigan Consumers Council has brochures outlining how to review property tax assessments, what to look for in determining the accuracy of assessments and how to appeal assessments.

The council advises discussing errors first with the local assessor. Some assessors may be willing to adjust appraisals, saving consumers and themselves from going through a formal protest.

If consumers find it necessary to protest, the brochure provides information that may be useful in documenting a case before a local review board.

Free copies of the council's brochures are available by writing or calling: Michigan Consumers Council, 414 Hollister Building, 105 W. Allegan, Lansing, Mich. 48933, 1-517-373-6947. Copies are available in large-print for the visually impaired.

City assessments hit industry hardest

By Joanne Maliszewski staff writer

Farmington property tax assessments are increasing with the market.

"They (assessments) are not going down. Most of it is market adjustment. We've tried to stay pretty much in tune with the markets," Farmington assessor John Sailer said.

Hardest hit this year will be industrial and commercial property owners. Residential property owners on the average will fare better.

Only 199 property owners in the city will open empty mailboxes. They were the only owners of the city's 3,574 pieces of property, who did not receive assessment increases this year. Notices were mailed Monday.

Industrial property owners will be the hardest hit with an average 16-percent increase, compared to 14-15 percent last year. "The market for industrial property has been very

strong," Sailer said.

Commercial assessments will increase an average 15 percent increase. "There is some variability on that depending on the property. Most new construction, however, will receive a 15-percent increase," Sailer said.

Residential property owners are faced with an average 8.4-percent increase. But residents in certain areas, such as the Farmington Meadows subdivision on Farmington Road, north of Eight Mile, will receive increases ranging from 15-16 percent. "That's because for some reason the sales have taken off in that area," Sailer said.

WITHIN THE commercial category, shopping centers and offices are at the top of the increases. Apartment building assessments will not change this year after four-to-five years of increases, Sailer said.

"We based them all on the income approach. Their vacancies have increased significantly since we did

'The market for industrial property has been very strong.'

— John Sailer Farmington assessor

the last market study," he said.

The city studies sales in each neighborhood each year to determine annual assessments. Tax assessments are based on the true cash value of the property, with 50 percent of the value taxable. As property values fluctuate, so do assessments and taxes. The city uses an economic condition factor, adjusting costs to each neighborhood or commercial parcel.

Oakland County applied a 6-percent factor, which means that Farmington assessments had to increase at least 5 percent to be near the 50 percent market value, Sailer said.

"They (Oakland County equalization officials) do their sales studies. Then based on whether we use a one- or two-year sales study, they tell us where we have to be," he said. "In making our adjustments, we use current sales."

Vagnozzi to head Simon's local campaign

Farmington Hills resident Aldo Vagnozzi was named 18th Congressional District coordinator for the Paul Simon for President Committee.

The appointment was announced by Elliot Jacobson, Michigan director for the Simon campaign.

Vagnozzi is a longtime Democratic Party activist who now serves as recording secretary of the 18th District Democratic Committee, is a member of the Oakland County Democratic Party Executive Committee and treasurer of the Farmington Democratic Club. He was recently elected to the Farmington Hills City Council.

"The Democratic Party is fortunate to have a number of presidential candidates who are qualified to

'What attracted me to Paul Simon was his reputation for honesty, his excellent record of service . . . and his straightforward approach to the problems we face as a nation.'

— Aldo Vagnozzi

carry the party's banner," Vagnozzi said. "One of those candidates stands above the crowd because he blends the traditional goals of our party with a program that will achieve those goals in the future and that candidate is U.S. Sen. Paul Simon of Illinois."

At a time when many candidates

are for trimming the role of government in meeting the needs of the people, Paul Simon argues forcefully that we have the resources to once again make government a partner in moving this country forward, Vagnozzi said.

"What attracted me to Paul Simon was his reputation for honesty, his

excellent record of service as a member of the House and Senate, and his straightforward approach to the problems we face as a nation," Vagnozzi said.

Vagnozzi, an editorial consultant at Cy Aaron Publications of Detroit, was a delegate to the 1968 Democratic National Convention and an alternate delegate to the 1960 and 1980 conventions. He served as a member of the platform committee at the 1968 convention.

Members of the 18th District Simon Committee include Barbara Rom (chairwoman), Gerald Faye and Jim Pross of Birmingham, William Eilman of Farmington Hills, Sandy Shapiro of West Bloomfield and Allen Zimmel of Southfield Township.



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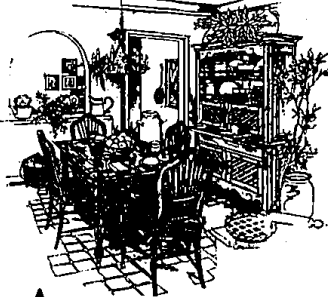
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