

Some see assessment increase as call to arms

BY PAT MURPHY
STAFF WRITER

Here's a message to homeowners from Patrick Anderson, the Farmington Hills business executive and tax foe: Consider news of an impending property tax increase as a call to arms.

Sometime soon — probably this month — Oakland County homeowners will be notified that their property tax assessments will go up — following a two-year freeze.

These notices — and the tax hike they likely foretell — will definitely fuel voter rage, predicts Anderson. News of higher assessments will be like pouring gasoline on an already raging fire.

"People are going to pay more," said Anderson, who has been part of several taxpayer revolts. "And they're not going to like it."

Voters are disappointed we haven't had property tax reform already, he said. And the most recent assessment hike — a reminder that tax policies are inequitable — will galvanize them into action.

The assessor in Southfield — where residential assessments will increase about 11 percent — used more visceral terms. "People will be p... ed off," said Ernest E. Beren.

Already angered by high taxes, the House Fiscal Agency scandal, salary hikes in Lansing, and a feeling the Legislature is inept, voters will likely be jolted into action, according to Anderson and others.

Extend freeze?

"We'll see one of two things," predicts Raymond B. Dugan, a Troy resident and spokesman for the Oakland County Taxpayers Association. "Either lawmakers extend the freeze (that expired in 1992) before the new assessments take effect, or there will be the biggest recall effort in state history."

Triggering this reaction is a re-

TAXES

Assessments will go up 6 percent in Birmingham. "But that's not a lot," said assessor Carol Hergan, "particularly over two years."

"I've had some phone calls — mostly because of newspaper articles — but nothing out of the ordinary."

Reflect market value
Southfield homeowners might be upset initially, according to the city's assessor. But eventually they're likely to recover.

"They'll come to realize higher assessments mean their homes have higher market value," said Beren. "People want to move into Southfield, and that's reflected in the price of a home."

If there is any homeowner outcry — much less taxpayer revolt — it probably won't materialize until residents get their actual tax bill. State law requires they be notified of the assessment hike, and soon. But the tax bill generated by that won't come until later, depending on the individual community. Being notified of a higher assessment is quite different than getting the tax bill itself.

"Nobody likes paying higher taxes," said Kenneth Courtney, the assistant city manager for finance in Troy, where assessments are expected to increase by 7 percent.

"But people knew it was coming. They hadn't had any increase

for two years (the life of the freeze)," he said. "But I don't expect any reaction until later, when homeowners get their statements. Then, some people will hit the roof. Others will be happy their bill didn't go up as much as they expected."

A spokesman for the assessor's office in Farmington Hills said the 5-percent increase expected there will impact individual homeowners very differently.

"Some houses will go up by more than 5 percent, while the increase for others might be much less. We're still trying to determine what the higher assessments mean."

In Rochester Hills assessments will increase an average of 7 percent, with variances from neighborhood to neighborhood. Assessor Kurt Dawson said that uneven application results from a variety of factors . . . such as the neighborhood itself and customer preference. Both put upward pressure on prices, and they drive up assessments and the tax bill.

Depending on customer demand and other factors, houses in the \$300,000 range might get hit harder than those around \$60,000, he said. "But there's no way to tell if that's going to be the case in Rochester Hills this time."

While individual communities — and homeowners — don't know what the higher assessments will mean immediately, people like

Dugan and others see a sudden, decisive reaction. "We're tired of playing games (with the Legislature)," said Dugan, who in the mid 1980s helped lead a taxpayers' uprising.

Going up

Average assessment increases for residential property in the Observer & Eccentric readership area for 1993.

Birmingham	6.0	Rochester	9.0
Bloomfield Hills	9.0	Rochester Hills	7.0
Bloomfield Twp.	10.0	Southfield	11.0
Oakland Twp.	6.0	Southfield Twp.	10.0
Farmington	9.0	Troy	7.0
Farmington Hills	5.0	West Bloomfield Twp.	7.0
Keego Harbor	12.0	Oakland County (overall)	6.9
Lathrup Village	12.0	Macomb County (overall)	9.4
Orchard Lake	11.0	Wayne County (overall)	10.5

Source: Michigan Department of Treasury

Oakland hike smaller than Wayne, Macomb

Don L. Bailey, manager of the tax equalization in Oakland County, said he can't explain why Oakland's average increase, 6.9 percent, is lower than the adjacent counties of Wayne (10.6 percent) and Macomb (9.4). "But actually, we're not that far apart."

"There are so many variables," said Bailey, including how recently properties were reassessed. The increases in more affluent communities may be lower because the market for \$300,000 houses is off, he said.

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