

CITY OF
Wyoming
MICHIGAN

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2020 Assessment Roll Report

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City of **Wyoming** Michigan
1155 28th Street, PO Box 905
Wyoming, MI 49509

DATE: June 23, 2020

TO: Curtis Holt
City Manager

FROM: Scott Engerson
City Assessor

RE: 2020 Assessment Roll Report

The 2020 Assessment Roll has been prepared to provide City leadership and citizens with a summary of the City's property tax base. Included in this report are charts and graphs intended to visually portray the magnitude of the tax base as well as historical trends.

The report also attempts to convey impacts on the tax base due to significant legislation. Examples include Proposal A, the exemption of certain personal property, and the Headlee amendment.

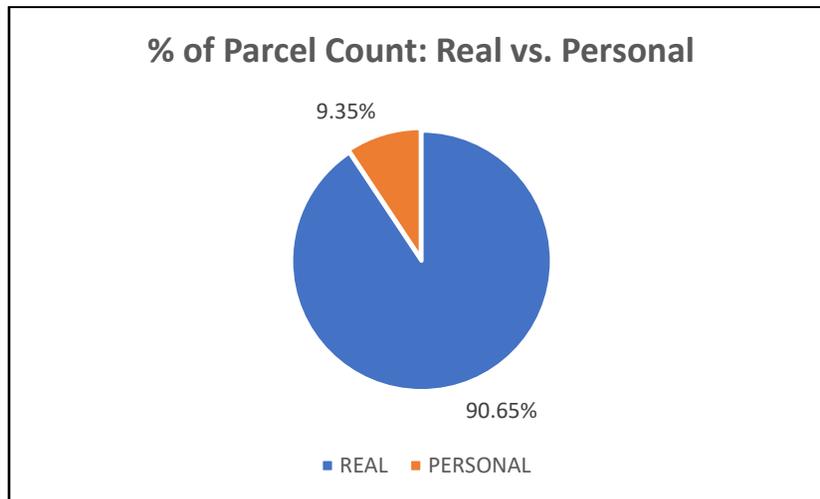
2020 Assessment Rolls

Parcel Counts

The City Assessor is responsible for administering four separate assessment rolls. The ad valorem roll contains all real and personal property subject to taxation at the full millage rate. The **Industrial Facilities (IFT)** roll contains eligible real and personal property subject to taxation at a reduced millage rate for a limited period of time. The **Commercial Facilities (CFT)** roll contains eligible real property that is taxed at the full millage rate with a frozen taxable value. The **Tax Reverted Clean Title Act (TRCTA)** roll contains properties that are subject to the full millage rate, but half of the levy is allocated to the Kent County Land Bank Authority.

Assessable property in the State of Michigan is categorized as either real or personal. All assessable property is further classified as agricultural, commercial, development, industrial, residential, timber-cutover, or utility. Parcel counts by type and classification for each of the four rolls are contained in the chart below.

2020 Parcel Counts						
	Class	Ad Valorem	IFT	CFT	TRCTA	Totals
Real Property	Commercial	1,578	0	1	2	1,581
	Industrial	423	42	0	0	465
	Residential	21,631	0	0	3	21,634
	Exempt	648	0	0	0	648
	Real Totals	24,280	42	1	5	24,328
Personal Property	Commercial	2,249	0	0	0	2,249
	Industrial	204	37	0	0	241
	Utility	20	0	0	0	20
	Personal Totals	2,473	37	0	0	2,510
Parcel Count Totals		26,753	79	1	5	26,838



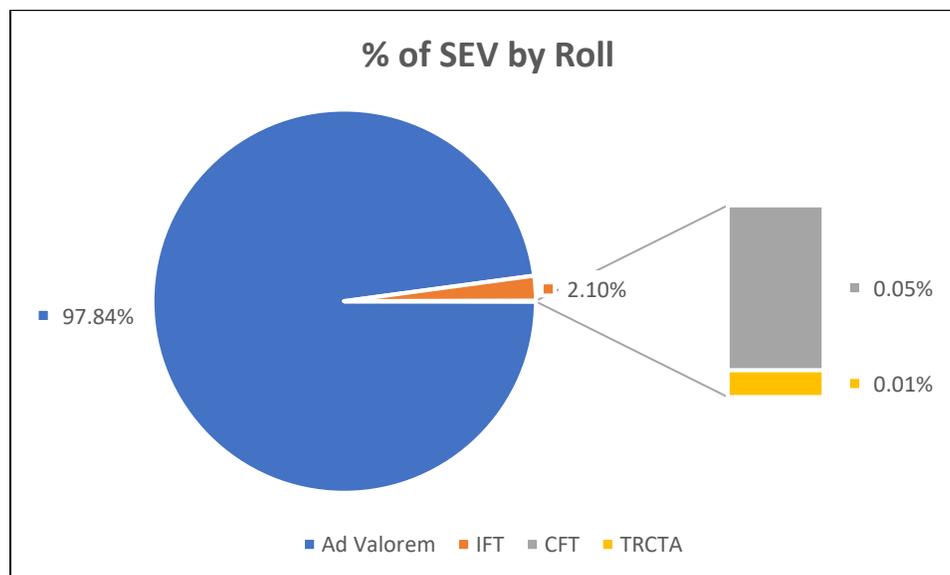
2020 Assessment Rolls

State Equalized Values

State Equalized Value, commonly referred to as SEV, represents an estimate of 50% of the fair market value of the properties assessed on the roll. The chart below summarizes the SEVs by property type, classification, and roll.

2020 State Equalized Values (SEV)						
	Class	Ad Valorem	IFT	CFT	TRCTA	Totals
Real Property	Commercial	\$763,985,700	\$0	\$1,476,300	\$56,900	\$765,518,900
	Industrial	\$200,629,000	\$43,661,900	\$0	\$0	\$244,290,900
	Residential	\$1,686,211,800	\$0	\$0	\$182,000	\$1,686,393,800
	Exempt	\$0	\$0	\$0	\$0	\$0
	Real Totals	\$2,650,826,500	\$43,661,900	\$1,476,300	\$238,900	\$2,696,203,600
Personal Property	Commercial	\$103,096,500	\$0	\$0	\$0	\$103,096,500
	Industrial	\$42,732,600	\$17,276,800	\$0	\$0	\$60,009,400
	Utility	\$43,106,600	\$0	\$0	\$0	\$43,106,600
	Personal Totals	\$188,935,700	\$17,276,800	\$0	\$0	\$206,212,500
	SEV Totals	\$2,839,762,200	\$60,938,700	\$1,476,300	\$238,900	\$2,902,416,100

As the following chart displays, over 97% of the City's assessable property is assessed on the ad valorem roll.

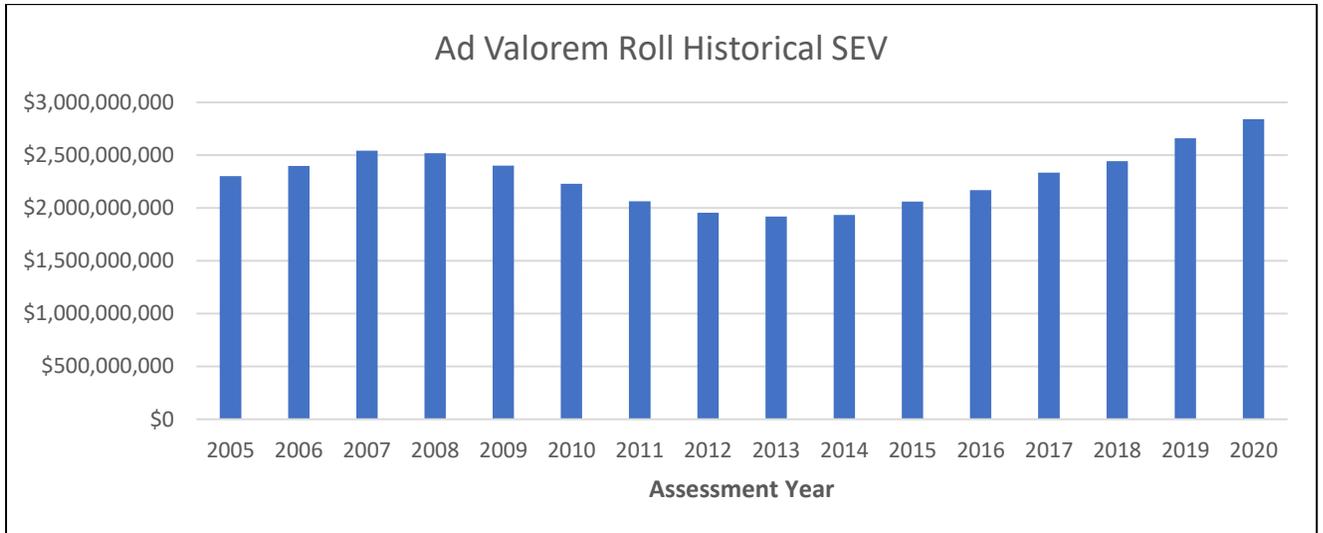


2020 Assessment Rolls

Historical State Equalized Values

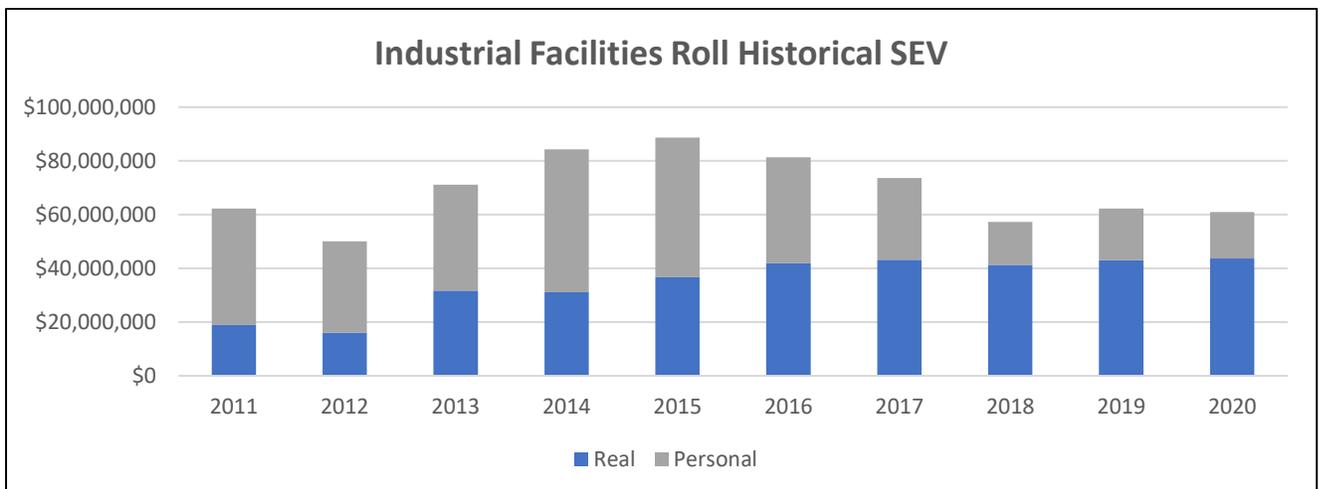
Ad Valorem Roll

Similar to other Cities in Kent County, the City's State Equalized Value (SEV) reached a peak in 2007 and then declined over the next several years due to the impacts the great recession had on real estate values. As displayed in the graph below, the City's SEV remained below 2007 levels for over a decade taking 12 years to fully recover.



Industrial Facilities Roll

The Industrial Facilities roll reflects the SEV of eligible industrial buildings, equipment, furniture, and other items of taxable personal property. While the real property SEV has grown and remained stable over the past 10 years, the SEV of personal property on the Industrial facilities roll is merely a portion of the personal property on the roll that remains taxable due to the passage of bills in 2012 that required phasing out taxation of eligible manufacturing equipment from 2016 thru 2022.



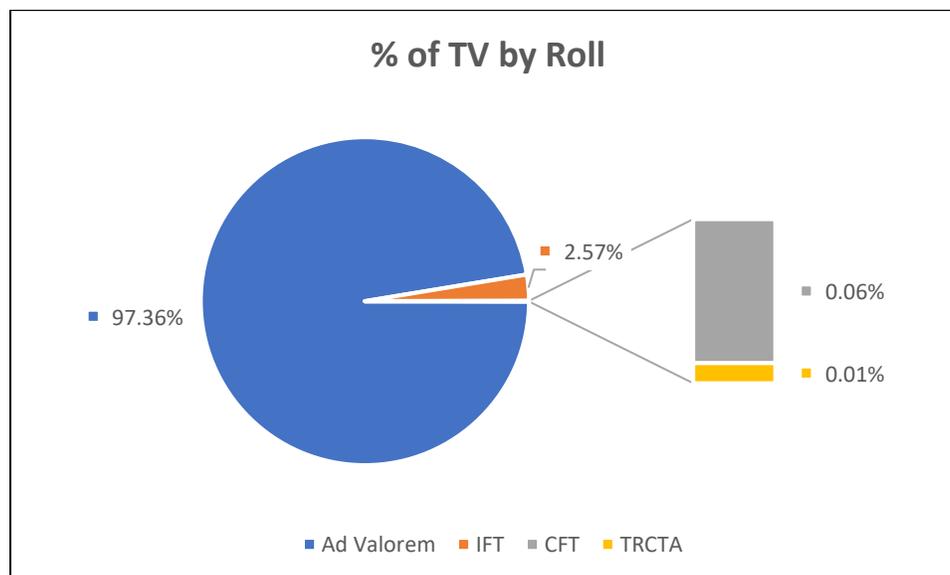
2020 Assessment Rolls

Taxable Values

Taxable Value represents the property tax base of the City. While the State Equalized Value (SEV) is a measure of 50% of fair market value of property on the roll, the Taxable Value (TV) is multiplied by the millage rate to calculate property taxes.

2020 Taxable Values (TV)						
	Class	Ad Valorem	IFT	CFT	TRCTA	Totals
Real Property	Commercial	\$624,951,286	\$0	\$1,476,300	\$46,317	\$626,473,903
	Industrial	\$155,233,707	\$42,165,131	\$0	\$0	\$197,398,838
	Residential	\$1,287,614,931	\$0	\$0	\$159,392	\$1,287,774,323
	Exempt	\$0	\$0	\$0	\$0	\$0
	Real Totals	2,067,799,924	\$42,165,131	\$1,476,300	\$205,709	\$2,111,647,064
Personal Property	Commercial	\$102,367,621	\$0	\$0	\$0	\$102,367,621
	Industrial	\$42,732,600	\$17,276,800	\$0	\$0	\$60,009,400
	Utility	\$43,016,095	\$0	\$0	\$0	\$43,016,095
	Personal Totals	\$188,116,316	\$17,276,800	\$0	\$0	\$205,393,116
TV Totals		\$2,255,916,240	\$59,441,931	\$1,476,300	\$205,709	\$2,317,040,180

As displayed on the following chart, over 97% of the City's property tax base resides on the ad valorem roll.

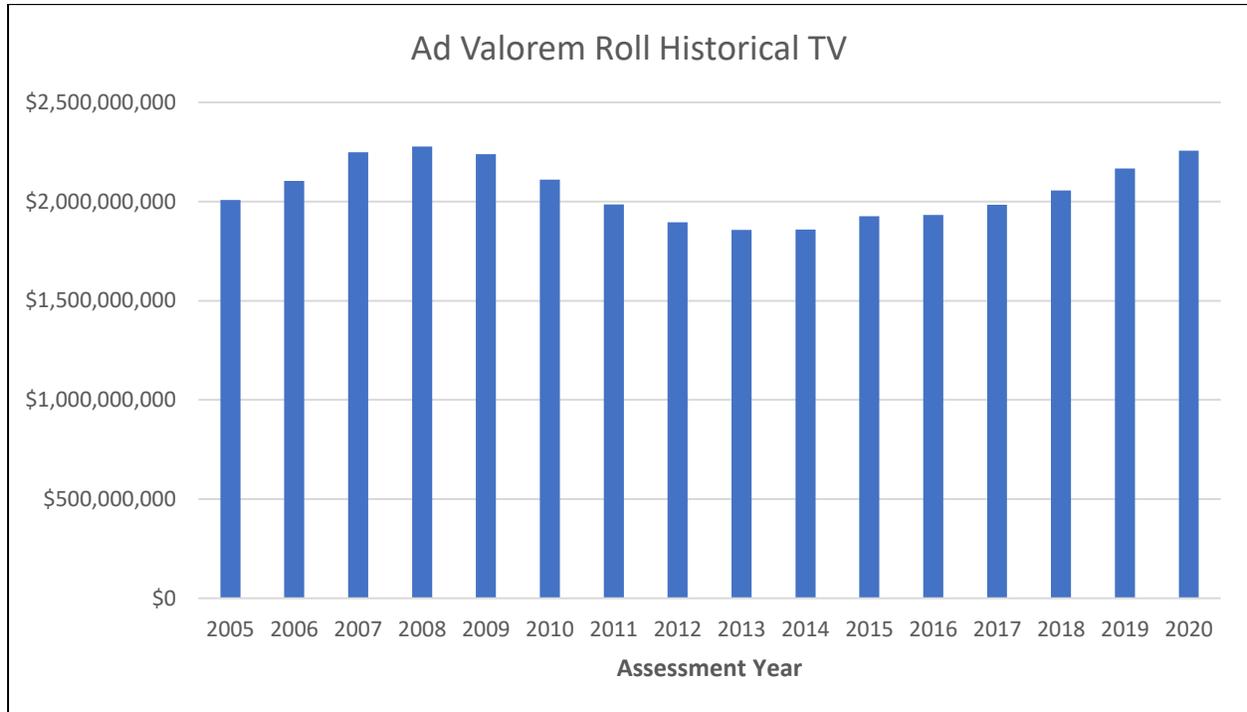


2020 Assessment Rolls

Historical Taxable Values

Ad Valorem Roll

While the City's SEV fully recovered from the great recession in 2019 and then grew even higher in 2020, the same cannot be said of the City's Taxable Value. The City's Taxable Value, which is the amount the City multiplies by a millage rate to collect taxes on, did not return to pre-recession levels until this year. Even then, the 2020 taxable value is slightly lower than that of 2008.



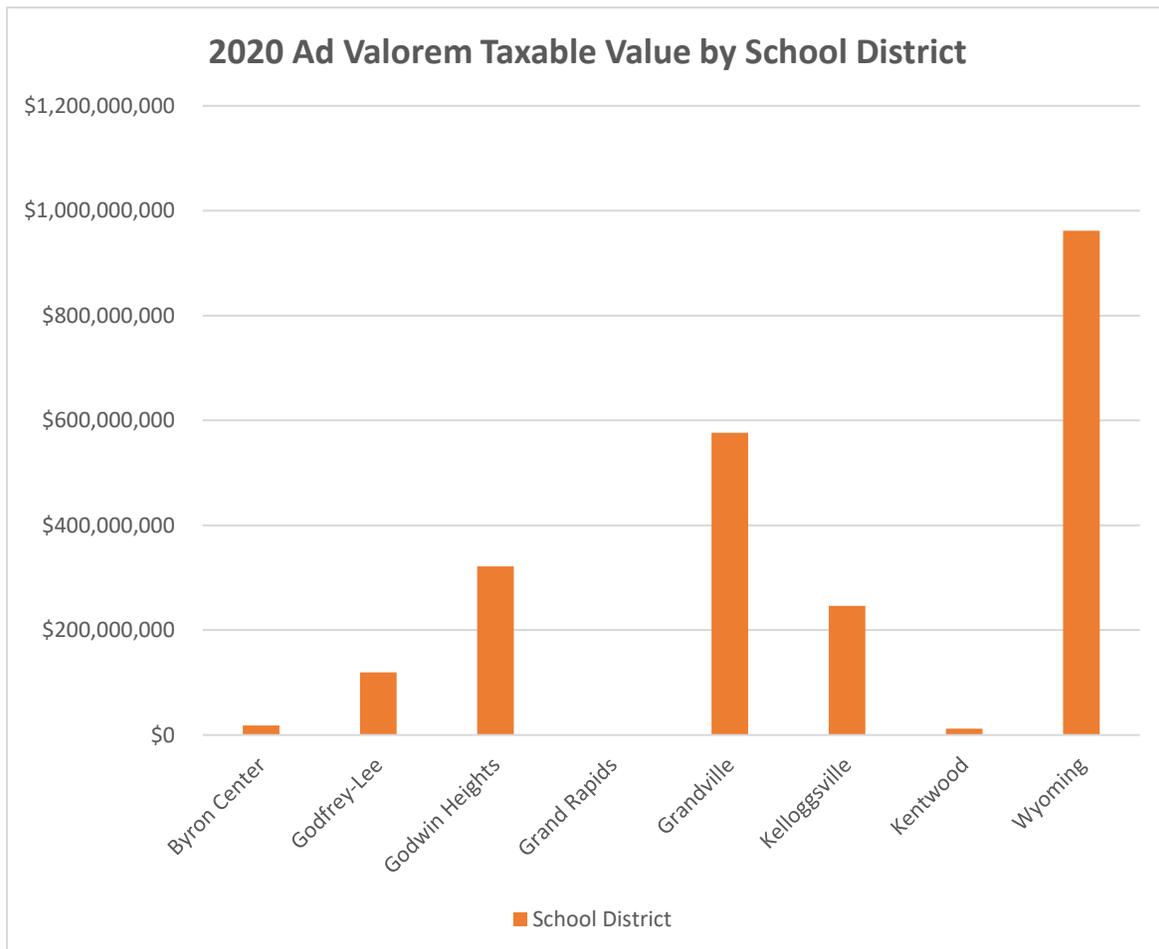
2020 Assessment Rolls

School Districts

Ad Valorem Roll

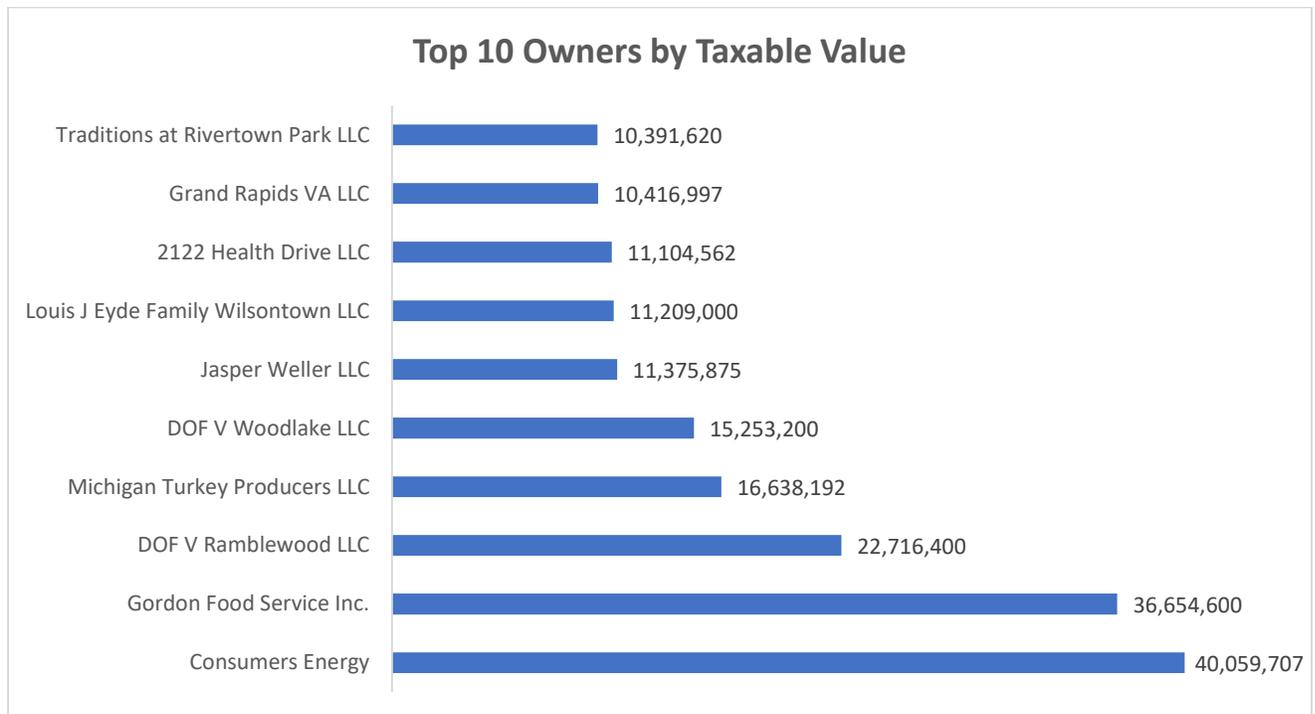
The City boundaries encompass property located in eight different school districts. The school districts and their respective 2020 State Equalized and Taxable Values are listed below.

School District	Parcels	Ad Valorem TV	Ad Valorem SEV
Byron Center	42	\$18,020,182	\$22,405,900
Godfrey-Lee	2,539	\$119,491,971	\$162,699,100
Godwin Heights	5,102	\$321,586,267	\$417,214,800
Grand Rapids	1	\$292,000	\$292,000
Grandville	4,275	\$576,759,036	\$670,531,900
Kelloggsville	2,461	\$246,160,839	\$304,490,400
Kentwood	205	\$11,934,980	\$16,008,000
Wyoming	12,128	\$961,670,965	\$1,246,120,100
Total	26,753	\$2,255,916,240	\$2,839,762,200



All Rolls

The 2020 taxable values of the City’s top ten owners by taxable value are listed in the following chart. The total taxable value includes both real and personal property from all assessment rolls.



Significant Legislative Changes Affecting Property Tax Administration

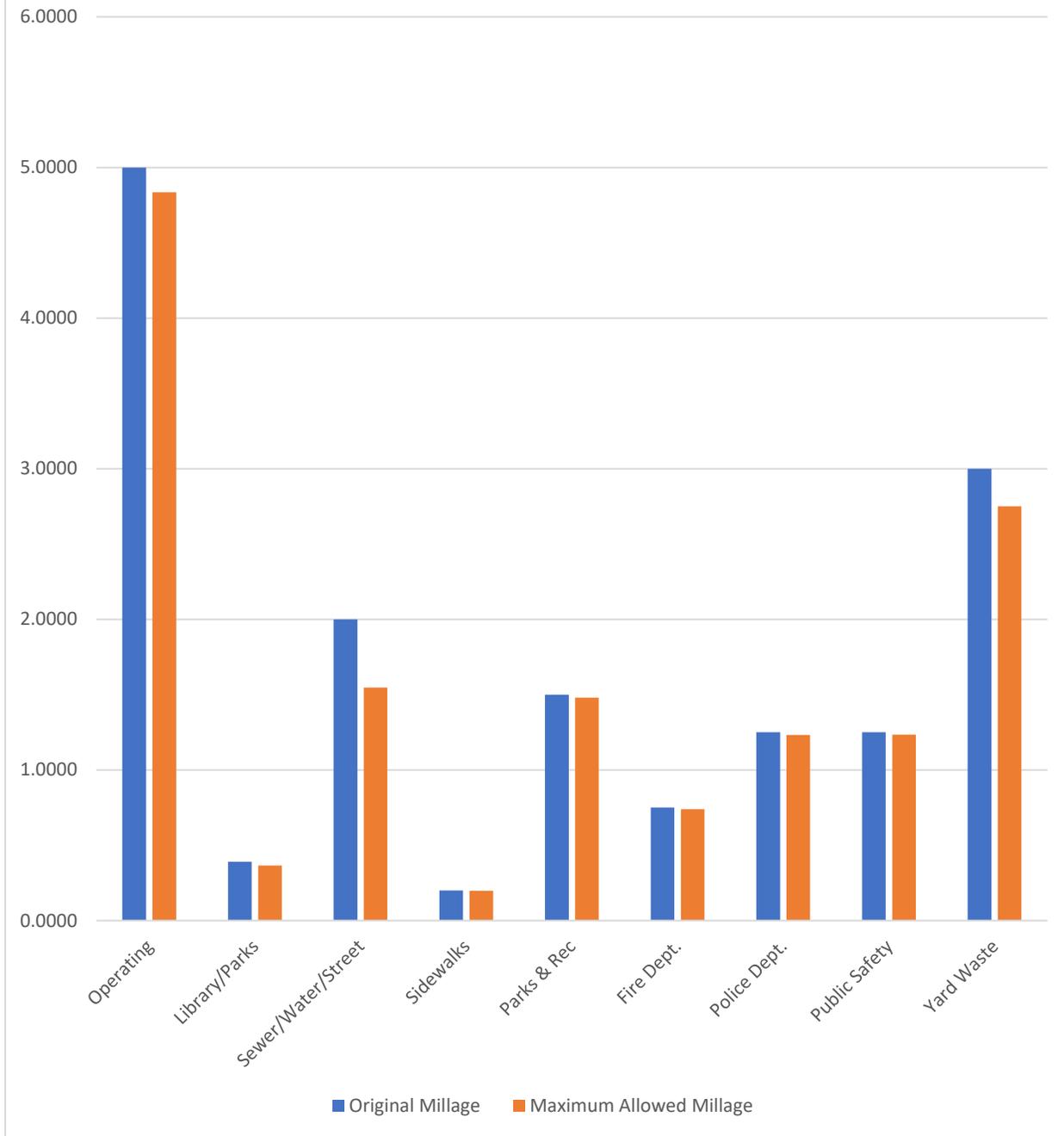
Headlee Millage Reduction Fraction

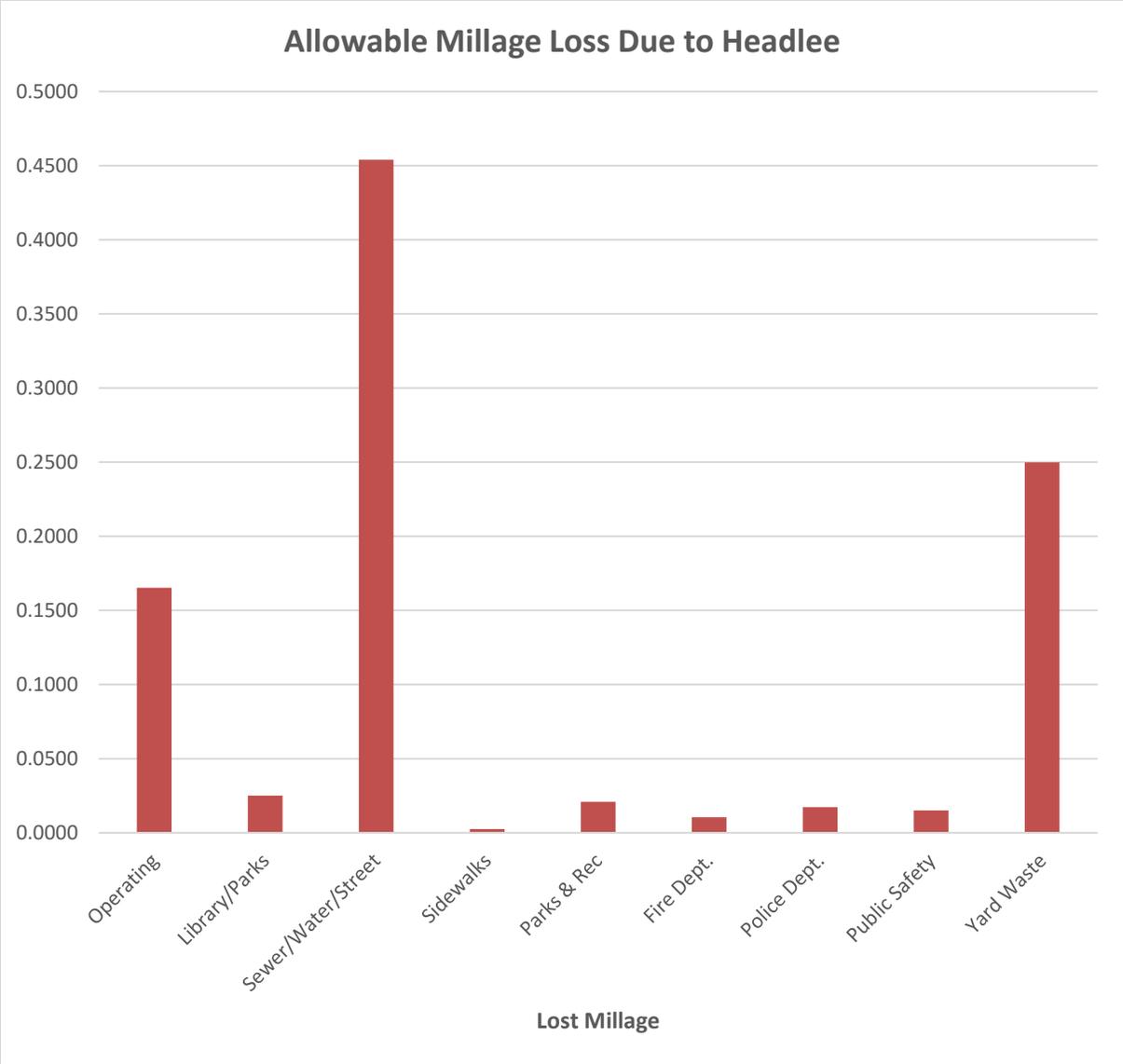
In 1978, Michigan voters approved the “Headlee” tax limitation amendments to the Michigan Constitution of 1963 (Article IX, Sections 24 – 34). Often referred to as the “Headlee Rollback,” this constitutional amendment requires a local unit of government to reduce its millage when annual growth on existing property is greater than the rate of inflation. As a consequence, the City’s millage rate is “rolled back” so that the resulting growth in City property tax revenue does not exceed the rate of inflation. This is accomplished with the “Headlee” Millage Reduction Fraction (MRF).

For tax year 2020, the City’s taxable value increase exceeded 1.9% which is the rate used in the 2020 inflation rate multiplier of 1.019 issued by the Michigan State Tax Commission. As a result, the City is required to permanently reduce its maximum allowable millage by applying a Headlee millage reduction fraction of 0.9954.

The following two graphs illustrate the long-term impact of the Headlee Amendment on the City’s various millage rates. The first chart compares the original millage approved by the voters to the reduced maximum allowable millage due to required Headlee rollbacks. The second chart shows the total loss in maximum allowable millage for each millage the City levies.

Millage Approved by Voters or Law vs. Millage Allowed by Headlee

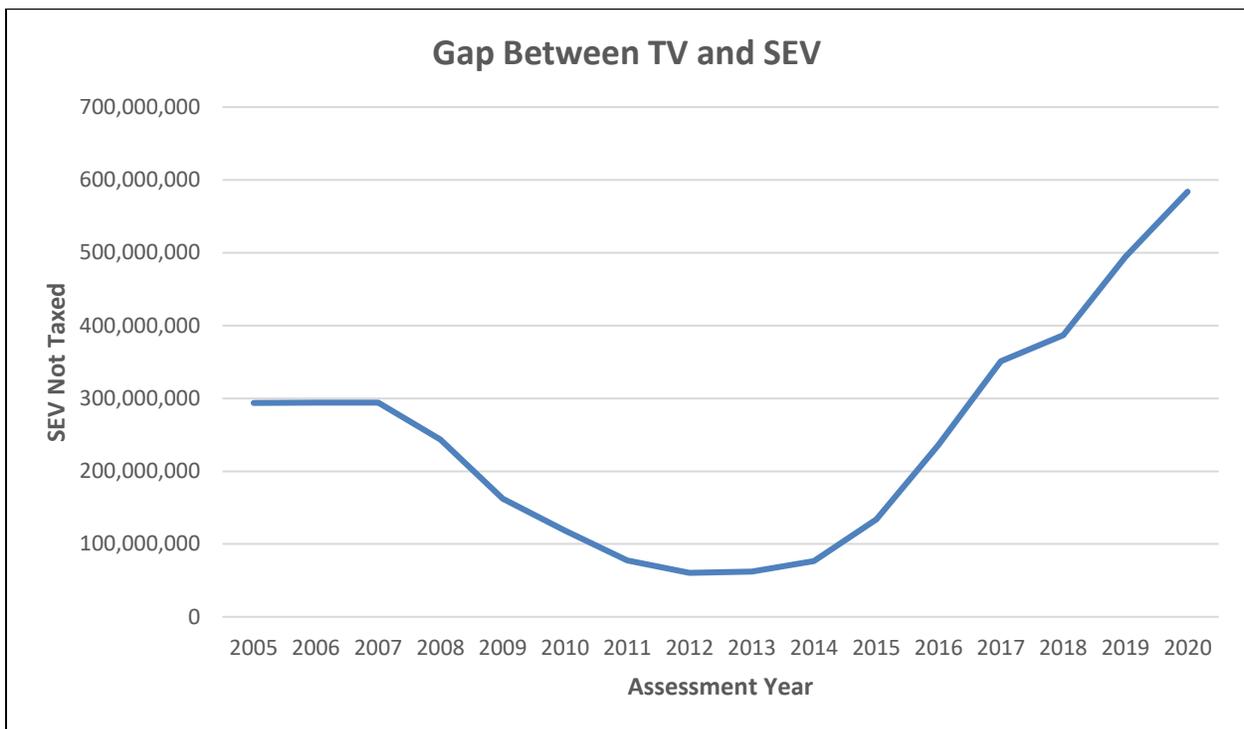




Proposal A

Another amendment to the Michigan Constitution, known as Proposal A of 1994, requires the Taxable Value of an individual property to be capped by the rate of inflation, with the exception of properties which transfer ownership. For those properties that experienced a transfer of ownership in the previous year, the Taxable Value is “uncapped” and it becomes equal to the State Equalized Value (SEV).

The relationship of Taxable Value to State Equalized Value provides insight into the limiting effects of Proposal A. The graph below displays the gap between Taxable Value and State Equalized Value. The gap represents the loss in the property tax base due to the capping provisions contained in Proposal A. While this gap narrowed significantly with the loss in property value during the 2008-2010 recession, it continues to widen as the market recovers.

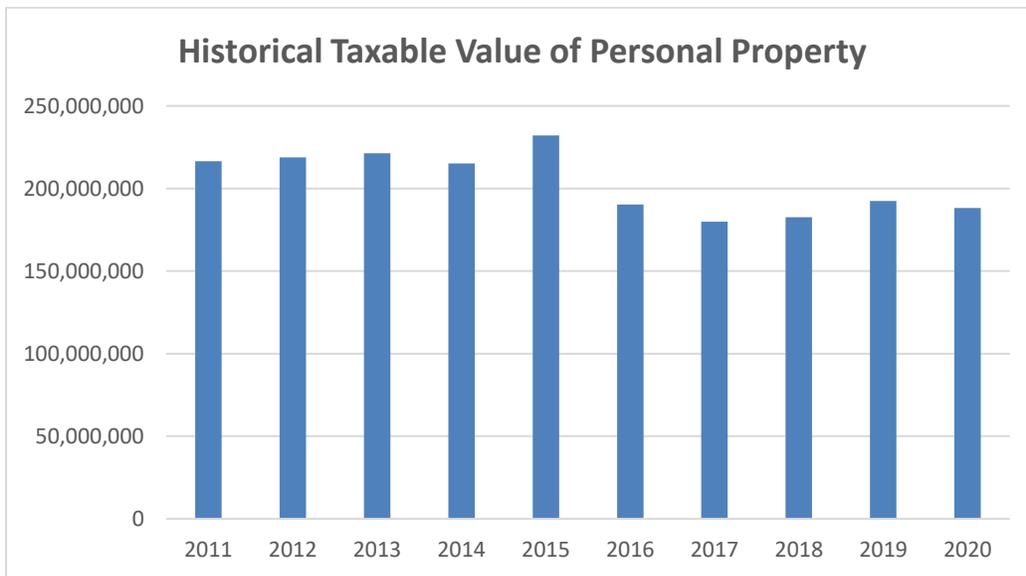


Personal Property

A package of bills passed in 2012 by the state legislature, and the subsequent passage by voters of Proposal 1 of 2014, created two personal property exemptions. The first exemption, which began in 2014, is the “Small Business Tax Exemption”. The second exemption, which began in 2016, is the “Eligible Manufacturing Personal Property” exemption.

The “Small Business Tax Exemption” exempts business personal property owned, leased, or in the possession of a business, if the total true cash value is less than \$80,000 within the local unit of government.

The “Eligible Manufacturing Personal Property” exemption (EMPP) eliminates personal property taxes on personal property which is used either for industrial processing, or direct integrated support of industrial processing. The exemption is phased in over several years beginning in 2016. In 2023, all Eligible Manufacturing Personal Property will be exempt in the State of Michigan. The overall effect on the personal property tax base is shown in this chart:



Other features of the legislation include a proportion of Use Tax revenues to be directed to local units of government to offset revenue losses caused by the exemptions; establishment of a “State Essential Services Assessment” which will be levied against exempt personal property in 2020 with the revenue going to the state treasury’s general fund; and creation of the “Local Community Stabilization Authority” which will receive and disburse the local communities’ share of the State Use Tax.

Disabled Veterans Exemption

In 2013, the State Legislature passed Public Act 161, which provides a property tax exemption on the homestead of honorably discharged veterans of the United States Military who are 100% disabled.

Qualified applicants are required to file annually for this exemption with the March, July, or December Board of Review. As of the close of the 2020 March Board of Review, 87 exemptions have been granted for a total loss of \$6,220,393 in taxable value for the 2020 tax year.

This results in an estimated annual loss in taxes to the City of \$74,512.