

City of East Tawas

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May 2009

PETITIONS FOR CITY OFFICES

On November 3, 2009, registered voters of the City of East Tawas will be electing three Council Members for four-year terms and a Mayor for a two-year term. If you're interested in running for one of the positions, Nominating Petitions are available at City Hall. In order to be eligible to be on the ballot, you must turn in a Nominating Petition containing a minimum of thirteen (13) signatures of registered voters of the City of East Tawas and an Affidavit of Identity to the City Clerk no later than 4:00 p.m. on Tuesday, May 12, 2009. If more than six petitions are filled for the office of Council Member or more than two petitions for the office of Mayor, a primary election will be held on August 4th to narrow the field of candidates for the General Election in November. Successful candidates will take office on Monday, November 16, 2009.

WE NEED YOU!

The City of East Tawas is looking for residents who may be interested in serving on one of the City's boards, commissions or authorities which currently include the following:

Board of Review
Brownfield Redevelopment Authority
Housing Commission
Park Board
Planning Commission
Tax Increment Finance Authority
Urban Development Action Grant Reuse Board
Zoning Board of Appeals

If you're interested, we ask that you submit a brief biographical summary including your area(s) of interest to City Hall. Your name will be added to a list that will be used to make recommendations to the City Council to fill vacancies.

ELECTION INSPECTORS

We are expanding our list of individuals interested in serving as an election inspector for the City of East Tawas. You will be required to complete a paid training program prior to serving at an election and all election inspectors must renew this training at least every two years. If you're at least 16 years old and interested, please stop by City Hall to complete an application.

ZONING

When making changes to your residential home or property, please remember that the City of East Tawas is a zoned community and you need a zoning permit for any construction (including, decks, pools, fences, sheds, garages, additions, houses, etc.) as well as tearing down any structures. Permits and guidelines are available at City Hall. Incomplete permits will delay approval, so please be sure to allow yourself enough time to get all the necessary information and for the Zoning Administrator to review and approve the application. One zoning regulation that few of our residents are aware of is that above ground swimming pools that have the capability of holding water at a depth of 20 inches or more are required to be fenced-in. Please keep that in mind before you purchase a pool.

All commercial permits and sign permits must be approved by the Planning Commission which meets at City Hall on the second Monday of each month at 7:00 p.m. Plans must be submitted by noon on the Thursday preceding the meeting to be included on the agenda.

The City's Zoning Ordinance, which includes all zoning regulations and a zoning map, is available online at www.easttawas.com.

NEW WATER AND SEWER POLICY

The Federal Trade Commission has recently adopted new regulations that require utility companies to establish an Identity Theft Prevention Program designed to detect, prevent and mitigate identity theft in connection with utility accounts. As a result, the Water and Sewer Department has incorporated new policies and you will need to be prepared to provide and/or verify information before we can establish a new account or make any changes to an existing account. This may include identifying information such as name, date of birth, residential or business address, principal place of business for an entity, driver's license or other identification.

In our small town where we know so many of you on a first-name basis, asking you to provide and verify information may seem excessive and unnecessary. However, because it is a Federal requirement and is designed for your safety, we ask for your patience and understanding as we put our new policy into practice.

We're extending our library hours to include evening hours! Stay tuned for more information....

BURNING PERMITS

Getting a burn permit has never been easier. You can call the State of Michigan burning permit hotline at (866) 922-2876 to verify if burning is allowed. You also have the option of using the interactive map located on the State of Michigan's website at www.michigan.gov/burnpermit to find the burn conditions in our area. If "YES" appears in the Burning Permits Issued column, you are authorized to burn for that day. Either the phone call or online confirmation serves as your burn permit. You don't need to print anything or write anything down. Updates are made every day by 10:00 a.m.

Due to the Michigan Department of Environmental Quality rules, no burn permits are issued for trees, logs, brush or stumps within the City limits. Burning authorized by these permit in the City of East Tawas is for **grass clippings and leaves ONLY**. These permits do not relieve the responsible person(s) of liability for any damages resulting from the escape of the fire.

STREETSCAPE PROJECT UPDATE

The final phase of the Streetscape Project on Newman Street from Lady in Waiting, past the Village Chocolatier and around the corner to East Bay Street (through Main Street) is expected to be completed by Memorial Day. New curbs, gutters, sidewalks, bumpouts, streetlights, trees, planter pots, decorative brick and metal fencing and bike racks will polish this main entry into our downtown. East Bay Street will become a one-way street heading west from Main Street to Newman Street and traffic will be right-turn only (north) onto Newman Street. Through traffic across Newman Street onto West Bay Street (in front of Norman's) will NOT be permitted.

By Memorial Day, flowering baskets will hang on the corners of the first three blocks of Newman Street. The oval planters will also be filled with flowers. The East Tawas Business Association has purchased all the flowers as part of their beautification commitment to the City.

The TIFA Board is still discussing if there will be sufficient funds to complete the two parking lots along Sawyer Street, behind Barnacle Bill's and Newman Mall. Even if they decide to not complete the project as initially proposed, the driveways and entrances/exits will be completed.

STREET RESURFACING

The City will be resurfacing Bridge Street beginning at the Tawas River and continuing on West State Street to Sawyer Street. The work will include base crushing and shaping, cold milling and slope restoration and resurfacing. This project was bid through the State of Michigan and two local contractors were awarded the bids - Bolen Asphalt Paving and Russo Engineering.

We will also be reconstructing West Washington Street from Newman Street to Church Street. This work will include storm drain improvements, base crushing and shaping, slope restoration and resurfacing.

Both of these projects will begin in May and are expected to be completed by the middle of June. There will be periods of times that the streets will be closed and we appreciate your patience.

UNDERSTANDING PROPOSAL A IN A DECLINING MARKET

Proposal A

On March 15, 1994, Michigan voters approved the Constitutional Amendment known as Proposal A.

Proposal A was designed to limit the growth in property taxes by the Consumer Price Index (CPI) until ownership in the property was transferred.

How It Works

Prior to Proposal A, property taxes were based on State Equalized Value (SEV). With the implementation of Proposal A, property taxes are now based on Taxable Value.

Each year, the Assessing Office must calculate the SEV for every property based on the time frame as outlined by the State Tax Commission. A property's taxable status is determined as of December 31st, which is called Tax Day.

Additionally, each property has a Capped Value. A Capped Value is calculated by multiplying the prior year's Taxable Value, with adjustments for additions and losses, by the CPI as calculated by the State of Michigan and cannot increase by more than 5%. For 2009, the CPI has been calculated at 4.4%.

Taxable Value, which property taxes are based on, is defined as the lower of State Equalized Value or Capped Value.

Generally speaking, this means that unless the current year SEV is less than the previous year Taxable Value multiplied by the CPI, the current year's Taxable Value will increase by the CPI.

SEV = 50% of True Cash Value

Capped Value = (prior Taxable Value - losses) x (1 + CPI*) + additions

*Percent of change in the rate of inflation or 5%, whichever is less, expressed as a multiplier

Taxable Value = the lesser of State Equalized Value or Capped Value, unless there is a transfer of ownership

The Equalization Timetable

With significant evidence of declining market values, the State Tax Commission has allowed a portion of Iosco County, including the City of East Tawas, to consider a 2-year sales study to determine values for the 2009 assessment cycle.

For 2009 assessments, the 2-year sales study begins March 31, 2006 and ends April 1, 2008.

Use of a 2-year study allows 2009 assessments to more accurately reflect current market conditions, however, some areas may have a limited number of current sales. In these areas, it may be necessary for the Assessor to expand areas for reviewing neighborhood analysis or estimate market changes based upon trends.

Actual Sale Price is NOT True Cash Value

The law defines True Cash Value as the usual selling price of a property. The Legislature and the Courts have very clearly stated that the actual selling price of a property is not a controlling factor in the True Cash Value or State Equalized Value as calculated by the Assessor. For this reason, when analyzing sales for the purpose of determining assessment changes, the Assessing Office will review all sales but exclude non-representative sales from the assessment analysis.

Foreclosure Sales

Inherent in the definition on usual selling price is the assumption that the sale does not involve any element of distress from either party.

The State Tax Commission has issued guidelines concerning foreclosure sales and, generally speaking, these guidelines preclude the Assessor from considering foreclosure sales when calculating values for assessment purposes.

For this reason, all distressed sales, such as sales involving mortgage foreclosure or sales involving transfers to or from relocation companies, are not considered as typical sales in the valuation of property for assessment purposes nor are they reliable indicators of value when making market comparisons for current assessed values or appeals.

Transfers of Ownership and Uncapping of Assessments

According to Proposal A, when a property (or interest in a property) is transferred, the following year's SEV becomes that year's Taxable Value. In other words, if you purchased a property in 2008, the Taxable Value for 2009 will be the same as the 2009 SEV. The Taxable Value will then be "capped" again in the second year following transfer of ownership.

It is the responsibility of the buyer in a transfer to file a Property Transfer Affidavit with the Assessor's Office within 45 days of the transfer. Failure to file a Property Transfer Affidavit will result in a penalty of \$5 per day for each day after the 45 day period with a maximum penalty of \$200. Property Transfer Affidavit forms are available at the Assessor's Office in City Hall.

Again, it is important to note that a property does not uncap to the selling price but to the SEV in the year following the transfer of ownership.

Principal Residence Exemption

If you own and occupy your home as your principal residence, it may be exempt from a portion of local school operating taxes. You may check your percentage of principal residence exemption on your "Notice of Assessment" that is mailed in March of each year.

If the percentage exempt as "Principal Residence" is 0% on your assessment notice and you wish to claim an exemption for the current year, a Principal Residence Exemption Affidavit must be completed and filed with the Assessor's Office prior to May 1st.

Furthermore, if you currently have a Principal Residence Exemption on your property and you no longer own and occupy the property as your primary residence, you must rescind the Principal Residence Exemption with the Assessor's Office.

Forms to claim a new exemption or to rescind a current exemption are available at the Assessor's Office in City Hall during normal business hours.

So What Does It All Mean?

How can I expect my assessment to change?

As stated in the Equalization Timetable, for 2009 the time period of the sales study for assessment review is March 31, 2006 through April 1, 2008. Sales occurring after April 1, 2008 will not be reviewed until the 2010 assessment cycle.

There is limited sales data in some areas in the current sales study so some neighborhoods have little or no sales for the Assessor to use. As a result, many neighborhood adjustments will be based on market activity in the surrounding areas, general market trends or be frozen until market levels can be determined. Without sufficient sales to make property calculations, you may find that your 2009 assessment didn't go down as much as you thought it should.

How can my Taxable Value go up when my SEV goes down?

Remember that the definition of Taxable Value is the lesser of SEV or last year's Taxable Value (adjusted for physical changes) multiplied by the CPI (4.4% for 2009).

Since the beginning of Proposal A in 1994, overall increases in SEV have generally been greater than the increase in Taxable Value capped at the CPI. The longer a property has been owned and capped, the greater the gap between SEV and Taxable Value. Even with a decrease in SEV for 2009, if there is still a gap between SEV and Taxable Value and

the 2009 SEV is greater than the Taxable Value in the previous year, the Taxable Value will increase to the limit of the CPI cap.

If, however, the 2009 SEV is lower than the calculation of last year's Taxable Value multiplied by the CPI, then the 2009 Taxable Value will be the same as the 2009 SEV.

Example of Declining State Equalized Value and Increasing Taxable Value

This example illustrates a property purchased in 1997 and uncapped in 1998. In 1998 the SEV becomes the new Taxable Value and then the property is recapped at the CPI. The SEV will increase or decrease based on market conditions. The Capped Value is adjusted by the CPI in the following year. Taxable Value is determined by using the SEV or Capped Value, whichever is less.

In this example, the property experiences a loss in the SEV from 2005 to 2008. Although the loss was due to market conditions, the Taxable Value continues to increase by the CPI during 2005-2009. The Taxable Value will continue to increase at the CPI until the SEV falls below Capped Value.

	SEV	CAPPED	TAXABLE	CPI
1997	\$ 110,000	\$ 106,910	\$ 75,359	2.80%
1998	\$ 116,650	\$ 116,650	\$ 116,650	2.70%
1999	\$ 126,500	\$ 118,516	\$ 118,516	1.60%
2000	\$ 137,500	\$ 120,768	\$ 120,768	1.90%
2001	\$ 145,250	\$ 124,633	\$ 124,663	3.20%
2002	\$ 154,750	\$ 128,621	\$ 128,621	3.20%
2003	\$ 160,000	\$ 130,550	\$ 130,550	1.50%
2004	\$ 165,000	\$ 133,553	\$ 133,553	2.30%
2005	\$ 175,000	\$ 136,625	\$ 136,625	2.30%
2006	\$ 174,000	\$ 141,133	\$ 141,133	3.30%
2007	\$ 165,110	\$ 146,355	\$ 146,355	3.70%
2008	\$ 158,000	\$ 149,721	\$ 149,721	2.30%
2009	\$ 158,000	\$ 156,309	\$ 156,309	4.40%

A house purchased in 2007, is uncapped in 2008, but in a declining market, the Taxable Value cannot be more than the SEV.

	SEV	CAPPED	TAXABLE	CPI
2007	\$ 33,000	\$ 21,265	\$ 21,265	3.70%
2008	\$ 28,000	\$ 28,000	\$ 28,000	2.30%
2009	\$ 26,700	\$ 28,000	\$ 26,700	4.40%

EAST TAWAS LIBRARY

If you mention the word “library” to most people, they’ll immediately think of books. Libraries, however, offer much more. In addition to public computers, the East Tawas Library offers:

Audio Books (CD & Cassette): Along with those who are visually impaired, audio books are very much in demand by the commuters, walkers, joggers, gardeners, and anyone else who doesn’t have the time to sit down and read a book from cover to cover.

Book Sale Area: Local residents and visitors enjoy the chance to add books to their personal collections.

Books for all ages and interests: Books range from board books for the little ones to Chiltons © Auto Repair Manuals. There are also holiday books, reference books, books to assist with those do-it-yourself projects, and books to read while taking it easy.

Jigsaw Puzzles: In addition to the ongoing puzzle on the reading table (for anyone to work), puzzles can be taken home for as long as needed.

Large Print Books: Books with larger-size type are very, very popular.

Magazines: The library subscribes to 75 different magazines. Patrons contribute another 45-50 titles after they finish reading their home subscriptions.

Michigan Phone Books: Recent (last few years) phone books are always needed.

Music CDs, VCR Tapes and DVDs: The collection varies depending on donations.

Newspapers: Current papers include *Iosco County News-Herald*, *The Arenac Independent*, *The Bay City Times*, *The Detroit Free Press*, *The Northeastern Shopper*, and the *Sunday Chicago Tribune*. The library also has back issues of the *Iosco County News-Herald* dating to July 1999.

Paperback Books: There is a large collection of paperbacks that can be taken out without a library card, and kept for as long as needed; these are very popular.

FROM THE ASSESSOR’S OFFICE

One of the many tasks that an assessor is mandated to complete is a field visit. The State requires that an assessor physically visit all properties in his or her unit of government every five years. You may be asking why the assessor needs to visit your property. The main reason an assessor physically visits property is to verify that the information that we have on your property is correct. Having accurate property records enables the assessment process to be equitable and fair. Please keep in mind that taxable value is what your taxes are based upon and a field visit is to assure that your *assessed value is determined correctly*.

What should you expect when the assessor visits? The assessor always knocks on the door and/or rings the doorbell to announce to the taxpayer that he or she is there. After an introduction to the taxpayer, the assessor will ask a few brief questions about the property and compare the information to the current record card, after which the assessor will request to quickly re-measure the outside of the house and take pictures of the front and back. The whole process takes just a few minutes.

How can you help? You can help the Assessing Office with verification of your property records by reviewing your record card on-line and reporting incorrect information. The City of East Tawas has all property records available for your review on-line at www.easttawas.com. Please report any inaccuracies to the Assessor at (989) 362-6241 or sells.etch@charterinternet.com.

Please Remember...

it is against a City ordinance to attach garage/yard sale signs in any way to utility poles, meter posts, or trees in or along any street right-of-way, along with any on a building, wall or fence without first obtaining consent from the owner.

If you are having a garage sale, there is a community posting board located in the parking lot of the Tawas Bay Play House at 401 Newman Street for posting signs. The goal is to prevent traffic hazards at intersections and to allow people a place to park and write down locations of garage sales. Any other signs that are tacked, pasted, or otherwise affixed to utility poles, trees, or posted in the City right-of-way will be removed.

I M P O R T A N T D A T E S

May 5 School Election at City Hall
11-22 Greenwood Cemetery cleanup
25 Memorial Day
City Departments closed; garbage pickup will be Friday

July 1 Summer 2009 taxes mailed
3 observance of Independence Day
City Departments closed; garbage pickup will be Thurs

Aug 4 Primary Election at City Hall (if needed)

Sept 7 Labor Day
City Departments closed; garbage pickup will be Friday
15 Summer 2009 taxes due

Oct 12 Columbus Day
City Departments closed; garbage pickup will be Thurs
31 Halloween
Trick-or-Treating will be 5-8 p.m.

Nov 2 scheduled compost pickup ends
3 General Election at City Hall
26-27 Thanksgiving holiday
City Departments closed; garbage pickup will be Friday

Dec 1 Winter 2009 taxes mailed
16 Santa Claus comes to town (tentative date)
East Tawas Fire Department
24 Christmas Eve
City Departments close at Noon
25 Christmas
City Departments closed; garbage pickup will be Friday

Jan 1 New Year's Day
City Departments closed; garbage pickup will be Friday

Feb 16 Winter 2009 taxes due

city