

CITIES, TOWNSHIPS, WHAT'S THE DIF?

Many people often think of cities, villages, townships and sometimes county governments as the same. Granted, they all have houses and families that call the community home, but the structure of government is actually quite different and distinct.

History of Township Government

More so than any other form of local government, towns and townships are rooted in rural and small town traditions. New England towns of the 17th century were the first real local governments on the American continent, with Virginia counties running a close second. The nation owes many of its present ideas of local self-governance to these colonial organizations, including the town meeting and the election of citizens to individual offices and boards.

Township governments were actually in place in most of the Midwestern states before they achieved statehood. A critical step in this process was the Northwest Ordinance of 1787, enacted by Congress to establish the initial government of the territory that eventually became the states of Ohio, Indiana, Illinois, Michigan and Wisconsin. The territorial governor and legislature began to create county and township governments in 1790, with the townships largely coinciding with the six-mile-square land divisions established in the deferral surveys of the region.

Originally, townships were the mechanism for exercising state authority by administering elections, assessing and tax collecting, and justice on the local level. Villages and cities were incorporated from townships to provide additional local services for population centers, with cities becoming a separate local government for all purposes, and villages remaining a part of the township jurisdiction for some purposes.

Today there are 16,504 townships in the United States, serving more than 57 million residents, according to 2002 Census of Government's figures.

Township government operates in 20 states: Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Ohio, Indiana, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Kansas, Missouri, Nebraska and, of course, Michigan.

[Source: *Grassroots Governments and the People They Serve*, National Association of Towns and Townships]

Township Government in Michigan

In Michigan, half of the state's population lives in one of 1,242 townships. You might be thinking, "So, how does this impact me?" It impacts you because YOU are one of them, and here in Vergennes Township, we want to help you understand how your local government operates.

Townships, and counties, are statutory units of government, having only those powers expressly provided or fairly implied by state law. Township government is conducted by a township board consisting of either five or seven members; a supervisor, clerk, treasurer, and two or four trustees. The number of Trustees is determined by the desires of the township's residents, whether the township has a population of over 3,000 or 5,000 registered electors, and if the township has charter status. The township board may also hire a manager, superintendent, assessor, police or fire chief, and other personnel to properly and efficiently operate the township.

Serving You

State laws authorize townships to perform a wide variety of functions. Townships are required to perform assessment administration, tax collection and elections administration. Townships may choose to perform numerous governmental functions, including enacting and enforcing ordinances, planning and zoning, fire and police protection, cemeteries, parks and recreation programs and facilities.

Townships are highly accountable to the residents they serve, in part because of being the form of government closest to the people. In Vergennes Township, in addition to those required services of centralized tax collection, property assessment, and election administration, we provide other services that our residents need. These include: joint fire and rescue services, cemetery administration, building permits, zoning administration, private road permits, on-line tax and assessment information, a township website and newsletter, and much more. Together we will continue to make Vergennes "A Place Where People Like to Live."

GARLIC MUSTARD NEED

Garlic Mustard Eradication Efforts Needed from Rural Areas

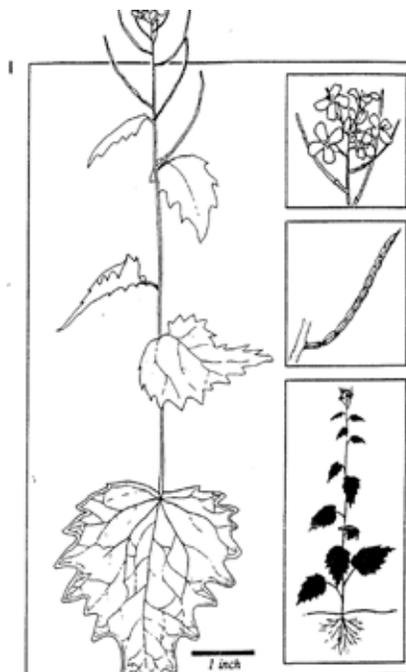
Garlic mustard is a highly invasive plant that has been moving into Michigan. It is a garden herb originally brought from Europe. Because it has no natural predators in this country, it quickly takes over our woodlands and fields choking out native plants and wildflowers.

Garlic mustard has been named by the DNR as one of the top 10 invasive plants in the area. The Lowell Area Conservation Association has been working with volunteers within the City of Lowell to help clear parks and public areas of garlic mustard. Because it is taking over much of our rural community, everyone in Vergennes Township is encouraged to be aware and work to eradicate it on your own property.

The best method of eradication is hand pulling in spring and fall. The plants can then be burned or placed in black trash bags to prevent continued growth and seeding*. For large areas completely overtaken by garlic mustard, an herbicide can be used taking care that other plants are not affected.

Thank you for your concern and efforts in helping to prevent the spread of this invasive plant. For more information you can contact Peggy Covert at 897-7948.

*The DNR has authorized this particular plant sealed in black trash bags to be placed for trash pickup.



Insets show flower (top), silique (middle) and overall plant form (bottom). (Illustration by Judy Preston)

Vergennes Township

A Place Where People Like to Live
www.vergennestwp.org



10381 Bailey Dr., P.O. Box 208, Lowell, MI 49331

897-5671

Hours: M, W, F – 9 A.M.–3 P.M.

WINTER 2009

*Township Board Meetings are held the third Monday of every month at 7:00 P.M. in the Township Hall.
Planning Commission Meetings are held the first Monday of every month at 7:00 P.M. in the Township Hall.*

SUPERVISOR: TIM WITTENBACH
TREASURER: JEAN HOFFMAN
CLERK: MARI STONE
TRUSTEES: VERN NAUTA
ALLAN BAIRD

CLERK'S CORNER

by Mari Stone, Vergennes Township Clerk

Judging from the calls we receive at the township offices, there are many residents that are frustrated with dial-up Internet and the lack of options for high speed service in Vergennes. You may have heard about a township volunteer committee that was formed to examine our high-speed options. I will give you a brief outline of the work to date of that committee, and then will follow with a creative plan offered by one of our own residents for his neighborhood. I hope that even if you do not live in his area, you can get some ideas from Ryan's efforts.

Two meetings have been held to date. Seven to ten residents have attended, and the Lowell-based wireless provider Redfrog has also participated. They have provided information on a proposal they have made to this volunteer committee to have two township owned towers erected to broadcast 900 MHz wireless signals. They are also working on wireless hotspots for several neighborhoods in the township. They are interested in getting on more existing towers, as the ones they are already on are at load capacity. They are proposing that the township consider applying for grant funding to erect additional towers that would feasibly enable them to serve up to 85% of the township. There are ongoing discussions within the committee about how realistic this proposal is, and if it would be a long-term, or merely a short-term solution. It is still possible that Comcast may be in a position to expand services in the southeast areas of Vergennes (near the City) after they make some necessary upgrades to the service they already provide. AT&T has determined that expanding DSL service in the township is not a budget priority this year, and probably not next either. Given that AT&T is currently putting all of their financial and marketing efforts into newer technologies that are geared to larger markets, I do not expect AT&T to solve our problem anytime soon.

A committee member is considering a letter to the Public Service Commission, or a similar entity, regarding the lack of competition among the major high speed service providers. The township is looking into right-of-way use, specifically what equipment/lines exist and how it is being used. We are trying to determine if there is excess access anywhere, but so far have come up empty handed.

Ryan Peel has come up with a creative way to solve his lack of high speed service, and agreed to let me share it with you. Ryan is seeking volunteers to participate in a test of wireless Internet in his neighborhood, which is on Vergennes near Boynton. If the test is successful and it is found to be affordable, he is looking at options to install a high speed T1 line that he would be willing to distribute to others in his neighborhood so they too can enjoy high speed.

For the last three years Ryan has subscribed to a satellite-based, "high speed" Internet service. While it is considerably better than dial-up, he says that it is also limited in its capabilities due to the latency of the system (due to the fact that it has to communicate with satellites in space.) Ryan is offering residents who are near enough to get his signal and agree to participate in his experiment, free access to his current satellite Internet connection for 60 days at no charge. His current speed is about 17 times faster than a typical dial-up connection. Depending on the location, participants in the test may be required to purchase an antenna to capture the signal from his rooftop. (He is not reselling these antennas but can provide a suggestion on a relatively inexpensive, yet reliable antenna.) Each participant would either have to be positioned close enough to his home so that an external antenna was not required or they would have to point their respective antenna at his access point in order to get a signal. Depending on terrain and obstructions, it may not be possible to get a signal at all. (A site survey can be done to determine if a location can receive a signal.) However, says Ryan, even in the case that someone cannot receive a signal directly from his access point, all is not lost. He has some other ideas that might help get around that problem.

Ryan is not running a business. He is just a neighbor trying to find a solution to the lack of high-speed Internet in his neighborhood. The purpose of this test is to determine if his idea is technically feasible. If it is, he is looking at two options. As a group of neighbors, a decision would be made to:

1) Continue to share the cost of his existing satellite connection at a greatly reduced cost with no obligation. With ten neighbors, the cost would be about \$15/month.

2) As a group, they would all commit to a one year (that's the minimum that the phone company requires) contract for T1 Internet service and split the cost evenly among everyone. With ten neighbors participating, the cost would be around \$25/month.

* A T1 line is a dedicated line and is much more reliable than a Cable internet line, which is shared with others on the network segment, resulting in potentially lower than expected speeds.

If you are interested in talking to Ryan about his idea, his contact information is:

Ryan Peel
9769 Vergennes St
Lowell, MI 49331
616-821-3766
ryanpeel@gmail.com

Internet Connection Speed Comparison
Dial-Up 28.8k 1x Speed
Satellite 512k 17x Speed
DSL 768k 26x Speed
Cable 1,544k 53x Speed
T1 1,544k 53x* Speed

FROM THE TREASURER

PLEASE NOTE OUR HOLIDAY HOURS

Vergennes Township will be CLOSED December 23 – 26 and December 31. The last day to pay taxes in person and have it posted in 2008 is December 29. Payments made by check can be left in the door mail slot anytime. Please do not leave cash. If you require a receipt, be sure to enclose the entire bill. Many residents choose to pay their taxes via an online bill payer. When making payment online, please be sure to include your property number (41-16-...) on the check to ensure proper credit to your tax bill. Thank you.

REMINDER

You can make partial payments on your tax bill. Once you receive your winter tax bill, you can make periodic payments thru February 14. Any amount owing after February 14 is subject to a 1% interest charge thru February 28. If it is not paid in full by then, Kent County will take over collection and add interest/penalties to the unpaid amount.

DOG LICENSES

Please make checks payable to Kent County Treasurer. Dog licenses will be sold from December 1, 2008 thru March 1, 2009. Rabies vaccinations and dog licenses are required in Michigan for all dogs four months of age or older.

Prices for 2008 Dog licenses

Neutered dogs \$9.00
 Un-neutered dogs \$20.00
 Senior Neutered \$5.00 (Senior Citizens must be 62 in 2008)
 Senior Un-Neutered \$8.00

You will need:

Preprinted application form from the animal shelter.
 Updated rabies vaccination (if expiring within 30 days)
 Proof of spaying or neutering (if needed)
 If you do not have a preprinted form from the animal shelter, you must have a rabies certificate and proof of neutering. Call the shelter at 336-3210 if you have any questions.

LATE FEES

All fees doubled after March 1, 2009. Please note: License fees will be increasing March 2, 2009. Late fees will be based on new fees taking effect March 2. Please contact animal shelter for license after March 1.

ASSESSMENT INFORMATION

2009 ASSESSMENT INFORMATION

UNDERSTANDING PROPOSAL A

IN A DECLINING MARKET

Authored by Dean Babb, City of Farmington Hills Assessor.
 Adapted with permission for wide distribution

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 upon State Equalized Value (SEV). With the implementation of Proposal A, property taxes are now based upon Taxable Value. Each year, the Assessing Office must calculate the SEV for every property based upon the period as outlined by the State Tax Commission. A property's taxable status is determined as of December 31, which is called Tax Day.

Additionally, each property has a Capped Value. 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 (TV), 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 years Taxable Value will increase by the CPI.**

Use of a 12-month study allows 2009 assessments to more accurately reflect current market conditions; however, some area may have a limited number of current sales.

SEV = 50% of True Cash Value

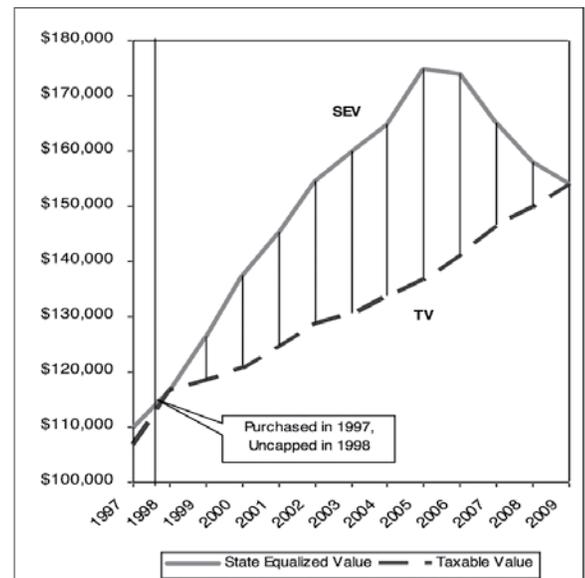
Capped Value = (Prior TV-Losses) x (1 + CPI*) + Additions

* 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.

Year	State Equalized Value	Capped Value	Taxable Value	CPI
1997	\$110,000	\$106,910	\$106,910	2.80%
1998	\$116,650	\$109,797	\$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	\$124,633	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	\$154,000	\$156,309	\$154,000	4.40%

Example of declining state equalized value and increasing taxable value. Explanation on next page.



The Equalization Timetable

With significant evidence of declining market values, the County Equalization Department has allowed local assessors to consider a 12-month sales study to determine values for the 2009 assessment cycle.

For 2009 assessments, the 12-month sales study begins October 1, 2007 and ends September 30, 2008.

Use of a 12-month study allows 2009 assessments to more accurately reflect current market conditions; however, some area may have a limited number of current sales.

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 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. If the assessor has verified additional market information, then these sales may be considered.

For this reason, all distressed sales, such as sales involving **mortgage foreclosure** or sales involving transfers to or from relocation companies, are usually not considered as typical sales in the valuation of property for assessment purposes nor are they necessarily reliable indicators of value when making market comparisons for current assessed values or appeals. **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 subsequently 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 2009. 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.

Transfers of Ownerships 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 the transfer of ownership. It is the responsibility of the buyer in a transfer to file a Property Transfer Affidavit with the Assessors 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 from the local assessor.

Again, it is important to note that a property does not uncapped 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". 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 Assessors Office prior to May 1. 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 Assessors Office.

Forms to claim a new exemption or to rescind a current exemption are available from the local assessor.

So what does it all mean?

How can I expect my assessment to change in 2009?

As stated in the Equalization Timetable, for 2009, the time period of the sales study for assessment review is October 1, 2007 through September 30, 2008. Sales occurring after October 1, 2008 will not be reviewed until the 2010 assessment cycle.

Using more current sales data means that **many SEV's in the area will be reduced again in 2009**. Areas with limited sales data in the current 12 month study may have little or no sales for the Assessor to use for the 2009 assessment roll. Therefore, some assessment adjustments will be based on market activity in the surrounding neighborhoods, general market trends or be frozen until market levels can be determined. Without sufficient sales to make proper calculations, you may find that your 2009 assessment may not go down as much as you think 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) times 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 subsequently 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 2009. 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.