



Memorandum

To: Livingston County Board of Commissioners
From: Sue Bostwick, Equalization Department Director
Date: 4/11/2023
Re: Resolution to Adopt the 2023 County Equalization Report as Submitted with the Accompanying Statements

Equalization is an annual process of analyzing sales of different types of property and determining if a specific type of property should see an increase or decrease in value, and that each class of property is assessed uniformly and equitably. This is an annual cycle, starting in April and ending with Equalization. This is done by two different types of studies, sales ratio study or an appraisal study. Typically, the sales study is done for the residential class of property. The sales are analyzed to determine if they met the definition of arm's length under the General Property Tax Act which govern the process. When it is determined that the sale is arm's length then it is divided into the assessed value to determine a ratio. All the sales for the class are used to determine a ratio for the class. An appraisal study is used to determine a ratio for classes of property that have limited sales. Typically, this is the agricultural, commercial and industrial classes. Again, the sales are verified as arm's length, then an appraisal is done using the current sales to determine value. This is then divided into the assessed value to determine the overall ratio for each specific class. Within equalization we do approximately 800 appraisals annually. The ratio given to each unit depends on the makeup of each class within that unit. The assessor then determines where to apply the increase or decrease for all the property within their unit. Their overall ending ratio for each class of property must fall between 49% to 50% or you will be asked to increase or decrease the assessed value of the class to meet the 50%. The equalization process is a collaborative effort between the local unit assessors and equalization. We could not be to this point without a good working relationship. Their professionalism and great work ethic is to be commended. So, when working with the local units please extend my gratitude.

If you have any questions, please contact me directly at 517-540-8778.