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East Lansing's Property Taxes Among Highest in State ^[1]

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By:

Justin Padgett



MLive recently used 2016 data from the Michigan Department of Treasury to identify 50 communities ^[2] with the highest-tax rates. Based on the data, East Lansing ranks relatively high both in terms of millage rate and total taxes paid by the average household.

By way of background, one point of millage rate (?one mill?) results in \$1 being levied in property tax for every \$1,000 in the taxable value of a home. For example with a \$100,000 taxable value home, one mill of tax increase results in \$100 in property tax increase per year. Usually the taxable value is about half of the market value; so, for a home worth about \$200,000, the taxable value would be \$100,000.

MLive ranked communities by homestead (primary home) millage rates. The City of Ecorse came in first, at 114.1 mills, while the City of Grosse Pointe was 50th at 52.2 mills. East Lansing in Ingham County came in at 20th, at 62.2 mills. (East Lansing is mostly in Ingham County, with a small portion of the City falling in Clinton County.)

MLive also included average true cash value of parcels in its study. For residential parcels in East Lansing in Ingham County, the average market value was about \$184,000. For residential partials in East Lansing in Clinton County, the average market value was about \$168,000.

East Lansing's average taxable value in Ingham County was about \$80,000, placing it fifth among the fifty communities with highest property-tax rates. In Clinton County, East Lansing's average taxable value was about \$74,000, still putting it relatively high.

Average taxable value is important because this determines how much actual revenue a city will bring in for a given year. Even when a millage rate may be relatively high, if property values are low, a city's revenue can be relatively low. So, for example, although the City of Ecorse's millage rate is the highest, at 114.1, the average property bill there is only \$1,312, because property values are low.

By contrast, East Lansing's average 2016 owner-occupied property tax bill comes to \$4,955. East Lansing is ranked 4th among the 50 communities if sorted by the average property tax bill.

The top five communities ranked by average tax bill for an owner-occupied property are as follows:

City	Millage Rate Rank	Millage Rate	Taxable Value	True Cash Value	Avg. Property Tax Bill
Grosse Pointe Shores	37	54.3	222797	541476	12091
Grosse Point Park	43	52.7	134860	310988	7108
Grosse Pointe	50	52.2	130465	321116	6813
East Lansing*	20	62.1	79752	184515	4955
Grosse Pointe Woods	27	57	84101	210096	4790

* East Lansing's millage rate for 2017 has been reduced by four mills.

These five communities are unique in the sense they all have high millage rates compared to other communities in Michigan, with high taxable values, which results in high average property tax bills. These cities are also mature suburbs, with robust city services, city-funded courts, many public recreational facilities, and good schools. A stark difference between East Lansing and the Pointes [3] is East Lansing is home to Michigan State University.

Understanding why millage rates vary for each community is a complicated matter. The full millage rate a property owner pays is not only for the municipality, but for other taxing authorities.

In the case of East Lansing properties, those generally include East Lansing Public Schools, CATA, etc.

Although four of the Pointes and East Lansing have high millage rates, the high millage rates may be explained by breaking down each mill or examining city services, or both. ELi is going to delve deeper into the four Pointes and East Lansing in separate articles to break down their millage rates, and examine city services offered.

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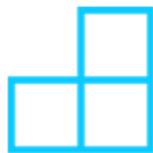
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