



Assessing Department (248) 347-0485

Frequently Asked Questions:

1. What is a State Equalized Value?

State Equalized Value (SEV): 50% of Market Value or True Cash Value.

2. What is the formula for Capped Value?

2012 Capped Value (CV): The 2012 formula is: (2011 TV-2011 Losses x 1.027) + 2012 Additions = 2012 Capped Value. The 2012 IRM is 2.7%. Losses are considered to be physical losses to the property. Additions are considered to be physical additions to the property.

3. What is Taxable Value?

Taxable Value (TV): Lesser of State Equalized Value and Capped Value. In the year following a transfer of ownership (sale, gift, inheritance, etc) the taxable value will be equal to the State Equalized Value. In Michigan, taxes are based on Taxable Value, not State Equalized Value.

4. How can my Taxable Value go down?

Due to economic conditions, your property's value may have decreased to the point where the new assessment is less than the 2011 taxable value. For properties that have shown decline during the sales study period, the assessed value will be reduced. Since taxable value can never be higher than the assessed value, taxable value will be reduced to the level of the assessment. For properties that see an increase in assessment for 2012, taxable value increase is limited to 2.7%.

5. Why isn't my new assessment 50% of my purchase price?

The simple answer is that it is against the law. MCL 211.27 states that the purchase price is no longer the presumptive True Cash Value of a property. The assessment may be close to 50% of the purchase price but it is determined by investigating the other sales in the area of the property and all of the SEV are set using that sales study.

6. Sale prices are going down in my neighborhood, why hasn't my assessment gone down?

Sale prices going down in the neighborhood will not be reflected immediately in your assessment. The Assessing Department makes every effort to review and analyze relevant sales data in your area. Using the appropriate study period, an estimate of value is determined for every property as of Tax Day (December 31, 2011). Sales occurring after that date will not be considered until the following year.

7. What is the time period considered in the 2012 Novi sales study?

The State Tax Commission requires counties to perform preliminary equalization using a 12 month and a 24 month sales study for each community. The study will be used that favors the taxpayer. Oakland County Equalization has determined that for 2012, Novi will use a 24 month study. For Novi that period is from October 1, 2009 to September 30, 2011. Under the 12 month study the average assessment increase would have been 2.79%. With the 24 month study, that average increase is only 1.2%. The 24 month sales study helps the taxpayer because it considers older sales. The City of Novi used one year sales studies for 2008, 2009, 2010 and 2011 when residential activity showed overall declines.

8. Every time I read the paper or turn on the television, there's a story about foreclosures. Are foreclosures included in the Novi sales studies?

No. Foreclosures themselves are not considered arm's length transactions or indicative of the way that properties normally change hands. Few people would argue that foreclosures are distressed transactions.

However, the subsequent sales from a foreclosure (bank repossessions to new owners) may be considered if they are influencing normal neighborhood transactions (current owner to new owner sales).

Frequently Asked Questions (cont)

9. How have foreclosures affected the Novi real estate market?

Although Novi is not immune from the effects of foreclosures, their impact has not been as severe as many other communities in the metro area. During 2011, less than 200 Novi properties were involved in the foreclosure process. That's about half of the number in Farmington Hills and less than a quarter of those in Southfield. Oakland County reports almost 8,500 foreclosure related transactions in the past year. Therefore, Novi has less than 2% of all foreclosures in Oakland County.

10. When can I appeal my assessment?

By law, the only time you may appeal your assessment is at the March Board of Review, which is held the second Monday, Tuesday, and Wednesday in March. After you receive the Change of Assessment notice you may file a petition to make an appointment. [Read the Board of Review Notice for dates and times.](#)

11. What happens if I'm not happy with the decision of the March Board of Review?

State law provides the next level of appeal at the Michigan Tax Tribunal. A letter of appeal on residential property must be sent to the Tribunal (P. O. Box 30232, Lansing, MI 48909) by July 31st following an appearance at the March Board of Review.

12. Why can't I protest my taxes when I get my tax bill in July?

The State law provides for one time per year to protest the value of your property. That protest may be made at the March Board of Review only.

13. Is there any other tax relief for seniors besides deferment or Poverty?

Besides deferment and poverty exemption, the only other tax relief available is the Homestead Credit that is filed with your income tax. You may receive up to \$1,200 back from the State of Michigan depending on your income and property tax amounts.

14. Do you have all of your information on line?

Almost all of the information in the Assessor's Office is public record. The amount paid in taxes is also public record and it is all available on line at www.cityofnovi.org. Access the Assessor's area and you may look up information by name, address or parcel number. Square footage & 2011 values are available and we expect to have the drawings of the ground floor areas online in the near future. 2012 values will not be posted online until the roll has been reviewed and confirmed following the March Board of Review. That information is available at the Assessing Department counter as soon as the 2012 notices are mailed.

15. Where do I change my address?

You need to send a written request to the Assessing Department to change the mailing address and that will change the address for both assessments and taxes. It will not, however, change the water billing address. You must contact the water department separately. A Change of Address form is available on-line at www.cityofnovi.org under the Assessing forms link.

16. How do I qualify for the homestead exemption?

The homestead exemption is more correctly known as the Principal Residence Exemption (PRE). The qualifications are simple; you must own and occupy the home as your principal residence on or before May 1. A person or a married couple is allowed only one PRE in the State. You may not claim an exemption in any other state. The exemption continues until the use of the home as your principal residence changes. When the change occurs, you must notify the assessor's office in writing. Recent legislation has allowed the granting of a second homestead under certain conditions. The Conditional Rescission is available when the previous homestead is not occupied or rented, and is listed for sale. Please contact the Assessing Department if you think you qualify for the additional exemption. The forms are available on on-line at www.cityofnovi.org under the Assessing forms link.