



CITY ASSESSOR



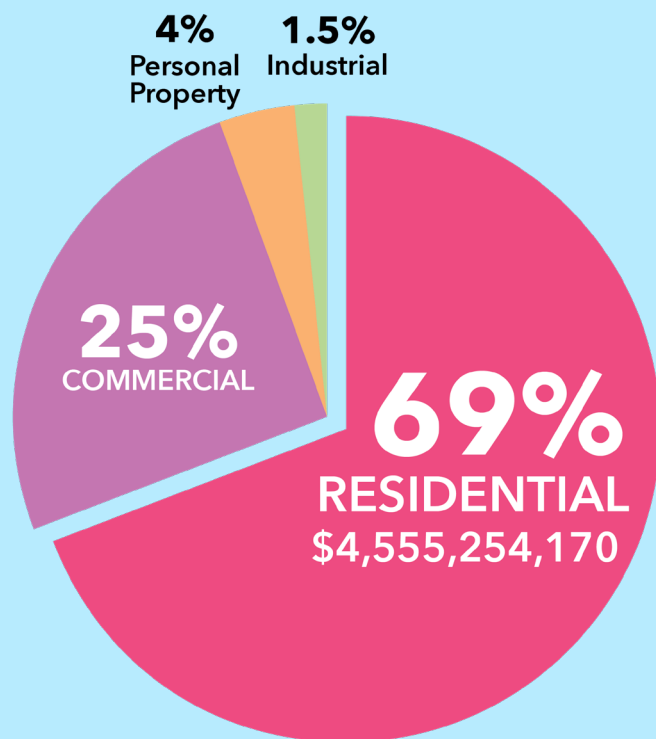
THE PURPOSE

The Assessor's primary responsibilities are to annually inventory and classify all taxable property within the city and to estimate the true cash value (market value) of the property, for the purpose of **equitable distribution of the property tax burden.**

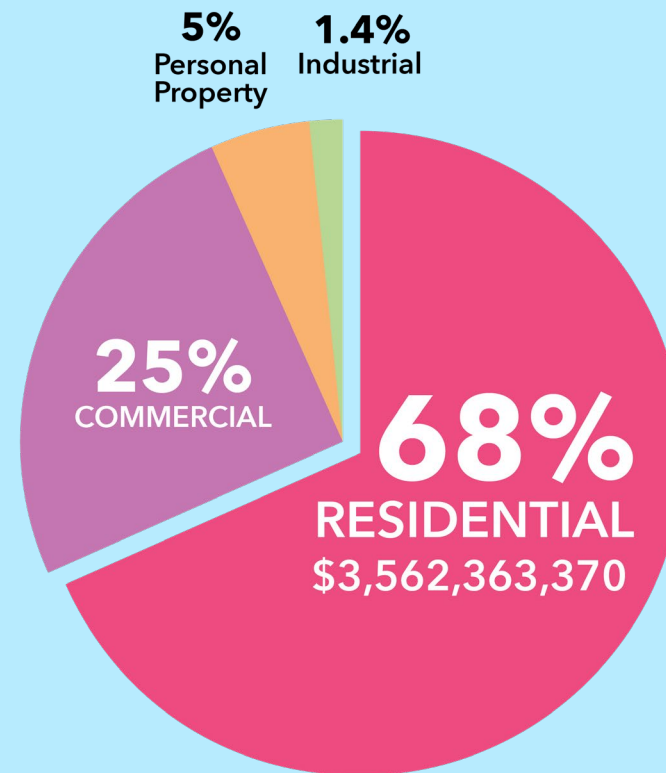


THE FOUNDATION OF THE CITY'S BUDGET

Sixty-eight (68) percent of revenue for Novi's **general fund** is **property tax revenue**.



2025 STATE EQUALIZED VALUES



2025 TAXABLE VALUES



THE VALUES

ASSESSED VALUE (50% of market value)


RESIDENTIAL




**COMMERCIAL/
INDUSTRIAL**




**PERSONAL
PROPERTY*****



**TOTAL STATE
EQUALIZED VALUE**

2023	2024	% +/-	2025 (Post MBOR)*	% +/-	2026 (Projected)	% +/- (Est.)**
\$3,802,425,040	\$4,208,523,425	<u>10.7%</u>	\$4,555,254,170	<u>8.2%</u>	\$4,896,900,000	<u>7.5%</u>
\$1,544,515,200	\$1,633,378,780	<u>5.8%</u>	\$1,736,532,010	<u>6.3%</u>	\$1,832,041,000	<u>5.5%</u>
\$252,542,520	\$264,809,328	<u>4.9%</u>	\$266,447,610	<u>0.62%</u>	\$267,779,800	<u>0.50%</u>
\$5,599,482,760	\$6,106,711,533	<u>9.1%</u>	\$6,558,233,790	<u>7.4%</u>	\$6,996,720,800	<u>6.8%</u>

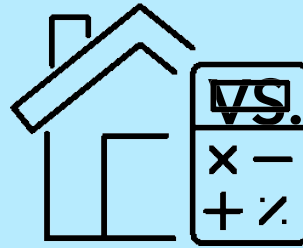
* 2025 State equalized values are tentative until after county equalization and state equalization occur. Values may change.

**Forecast is conservative and considers projected new construction and projected change in market value, among other factors.

***Personal property projections are less reliable, due to depreciation, move-ins and move-outs and various exemptions available.

THE VALUES

**ASSESSED
VALUE**



**TAXABLE
VALUE**

**50% of Market
Value**

**The Value Taxes are
Calculated on**



THE VALUES

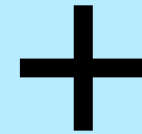
CAPPED VALUE FORMULA

Unless taxable value “uncaps” in the year following a transfer of ownership, the taxable value can only increase by the lesser of 5% or the rate of inflation (assuming no additions).

(Previous year's
taxable value - losses)



Inflation rate
multiplier



Additions



THE VALUES

TAXABLE VALUE


RESIDENTIAL




COMMERCIAL/
INDUSTRIAL




PERSONAL
PROPERTY***



TOTAL TAXABLE VALUE

2023	2024	% +/-	2025 (Post MBOR)*	% +/-	2026 (Projected)	% +/- (Est.)**
\$3,148,345,420	\$3,365,327,040	<u>6.9%</u>	\$3,562,363,370	<u>5.9%</u>	\$3,751,168,629	<u>5.3%</u>
\$1,248,376,410	\$1,332,784,530	<u>6.8%</u>	\$1,393,966,200	<u>4.6%</u>	\$1,449,724,848	<u>4.0%</u>
\$252,542,520	\$264,809,328	<u>4.9%</u>	\$266,447,610	<u>0.62%</u>	\$267,779,848	<u>0.50%</u>
\$4,649,264,350	\$4,962,920,898	<u>6.7%</u>	\$5,222,777,180	<u>5.2%</u>	\$5,468,673,325	<u>4.7%</u>

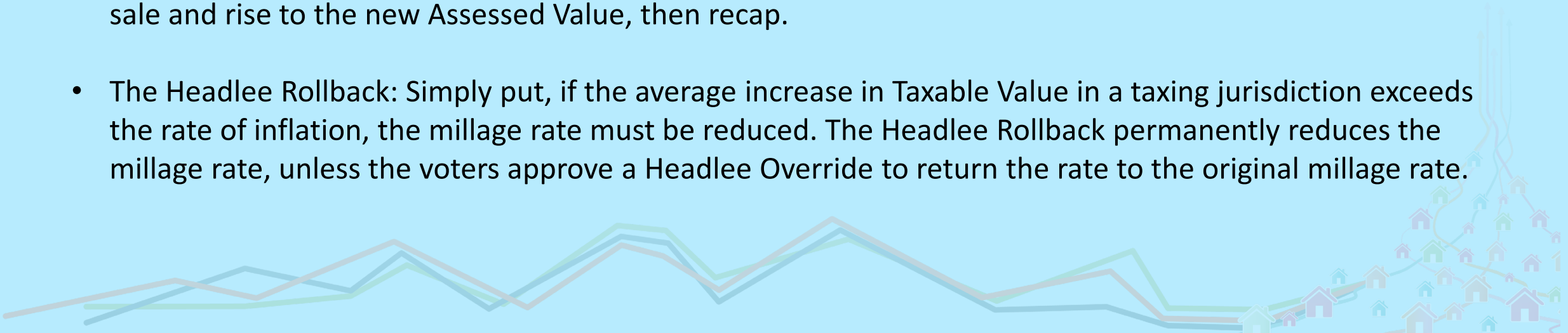
* 2025 State equalized values are tentative until after county equalization and state equalization occur. Values may change.

**Forecast is conservative and estimates the 2026 inflation rate multiplier, projected new construction and uncappings, among other factors.

***Personal property projections are less reliable, due to depreciation, move-ins and move-outs and various exemptions available.

THE DETAILS

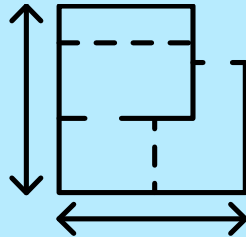
- Taxable Value can never be higher than the Assessed Value. In rising markets, the AV will increase as market values increase, but the taxable value will only increase by the rate of inflation or 5%, whichever is less.
- In 2024, the Consumer Price Index was 5.1% but the Inflation Rate Multiplier was capped at 5%. For 2025, The CPI is 3.1% and the IRM will be 3.1%.
- When a property transfers ownership, in most cases the Taxable Value will uncap in the year following the sale and rise to the new Assessed Value, then recap.
- The Headlee Rollback: Simply put, if the average increase in Taxable Value in a taxing jurisdiction exceeds the rate of inflation, the millage rate must be reduced. The Headlee Rollback permanently reduces the millage rate, unless the voters approve a Headlee Override to return the rate to the original millage rate.



THE STATS

22,607

TOTAL ACTIVE
AD VALOREM PARCELS



16

TOTAL SPECIAL
ACT PARCELS

5-YEAR ANNUAL AVERAGES



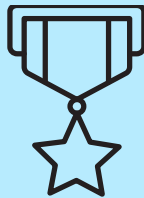
343

BOARD OF REVIEW
PETITIONS/CHANGES



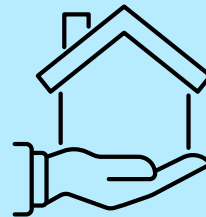
1,249

PROPERTY
SALES



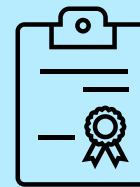
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DISABLED VETERAN
EXEMPTIONS



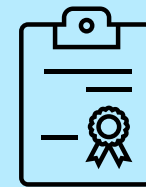
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POVERTY
EXEMPTIONS



558

RESIDENTIAL
PERMITS



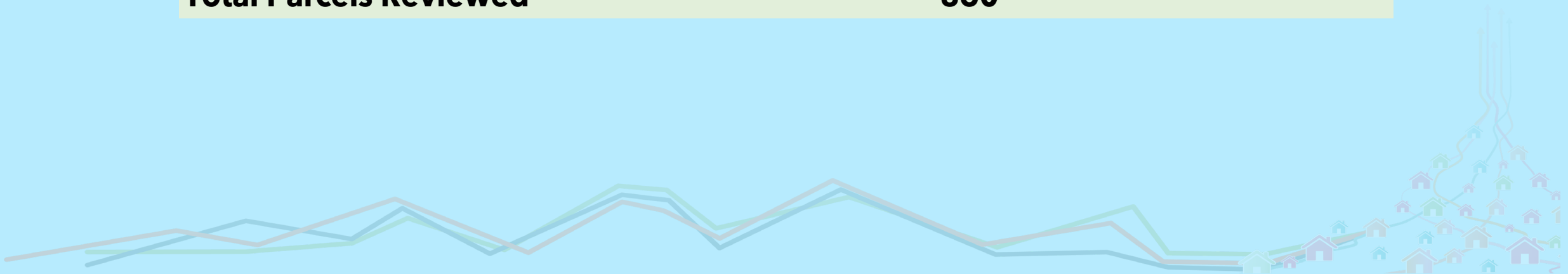
241

COMMERCIAL
PERMITS

THE STATS



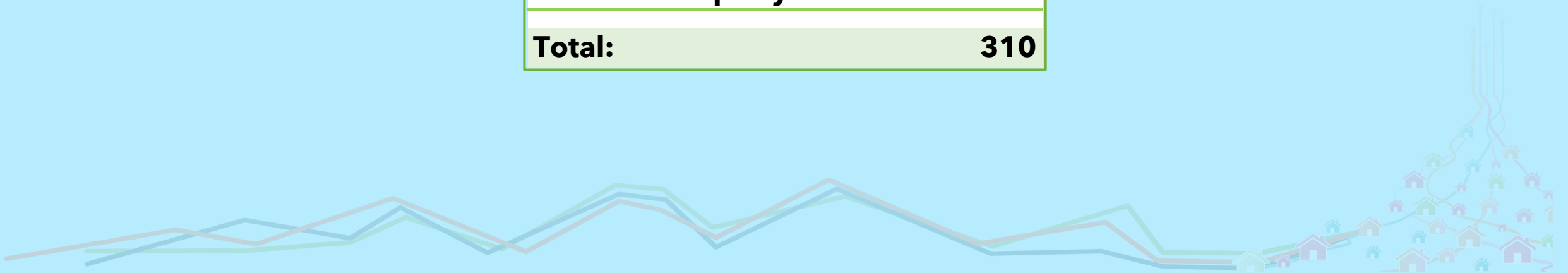
Parcel Review and Inspections	2024/25 Cycle	Percent	
		Visited / Reviewed	# Parcels
Desk Top Review - Residential	274	1.5%	18,874
Physical Site Visits - Residential	378	2.0%	18,874
Physical Site Visits - Comm. / Indust.	208	19.5%	1,066
Average Total Site Visits Per Month (9 Mo)	65		
Total Parcels Reviewed	860		



THE STATS



2025 March Board of Review	
Valuation Appeals	
Scheduled:	23
Written:	25
Walk-in:	6
	54
Poverty Applications:	17
Personal Property:	239
Total:	310



DEFENSE

OF THE CITY'S TAX BASE

A critical part of the Assessor's job is to defend Novi's assessments against appeals filed with the Michigan Tax Tribunal ("MTT").

	Dockets	Original Taxable Value (TV)	TV in Contention	Percent of Contention to TV	Potential City Revenue Loss	Actual TV Loss	TV Percent Reduction	Single Year City Revenue Loss	City Tax Revenue Retained
2022 Closed	21	\$61,798,410	\$17,186,780	28%	\$181,107	\$4,278,010	6.92%	\$45,080	\$136,027
2023 Closed	26	\$54,356,060	\$26,897,145	49%	\$283,431	\$9,117,090	16.77%	\$96,072	\$187,359
2023 Open	2	\$16,097,430	\$7,097,430	44%	\$74,790	?	?	?	?
2024 Closed	11	\$20,644,220	\$9,610,510	47%	\$101,272	\$4,540,530	21.99%	\$47,846	\$53,425
2024 Open	10	\$114,909,860	\$15,797,690	14%	\$166,470	?	?	?	?
Total:					\$807,070	\$17,935,630		\$188,998	\$376,812

An MTT judgment & order that **reduces the taxable value for the year under appeal also reduces the taxable value for subsequent years.** The reduced taxable value of the year appealed becomes the new basis for the following year's taxable value calculation. A **reduction in taxable value affects a city's tax base going forward.**



DEFENSE

OF THE CITY'S TAX BASE

Taxpayers have the right to appeal their Assessment. The **burden of proof** is **on the taxpayer** to convince the board of review or the Michigan Tax Tribunal that their assessment is incorrect.

Appeal deadlines and procedures must be met: May 31 for Commercial and Industrial Real and Personal property, and July 31 for Residential Real property.



DEFENSE

OF THE CITY'S TAX BASE



- Appeals filed with the Michigan Tax Tribunal ("MTT") are typically for commercial or industrial properties and usually involve the petitioner's tax agent or legal counsel. Novi relies on our own legal counsel to respond to appeal filings.
- Municipalities have three primary options to resolve an appeal.
 - We can provide compelling market data to the petitioner to persuade them to withdraw. Occasionally successful.
 - We can negotiate an agreement to settle, which usually results in a lowered SEV and Taxable Value.
 - We can go to trial.



DEFENSE

OF THE CITY'S TAX BASE



- Assessor reviews property record & petitioner-provided information and performs additional market analysis and research. Sometimes a reasonable settlement may be reached.
- In most appeals, the petitioner's representative is focused on **reducing the taxable value**. Therefore, if there is a large spread between assessed and taxable value, many petitioners will contend their property is worth less than 2 times the taxable value.
- A property could be perfectly assessed at 50% of market value, yet the argument will be that the property is worth much lower, in an attempt to lower the taxable value.



DEFENSE

OF THE CITY'S TAX BASE



- An important defensive tool is to engage a third-party real estate appraiser to perform an independent appraisal of a property under appeal. This provides the assessor with leverage and support in negotiations.
- We can and do perform some in-house valuation disclosures, based on the value amount at risk, the complexity of the property and the market data readily available.
- Fee appraisers tend to specialize in a few property types where they can realistically be “experts” in those types, and they have a greater depth of verified data available. The appraisers we engage also have experience as expert witnesses.



AT A GLANCE

ADMINISTER
PROPERTY TAX
LAW

BOARD
OF REVIEW

UNIFORM
ASSESSMENTS

DEFEND
ASSESSMENTS

EDUCATE
TAXPAYERS

PROPERTY
TRANSFERS

TAXABLE
VALUE
UNCAPPING

INSPECTIONS

ANALYZE
SALES

PRINCIPAL
RESIDENCE
EXEMPTIONS

AUDIT
DATABASE

STATE AND
COUNTY
REPORTS

LAND
DIVISIONS

DISABLED VET
EXEMPTIONS

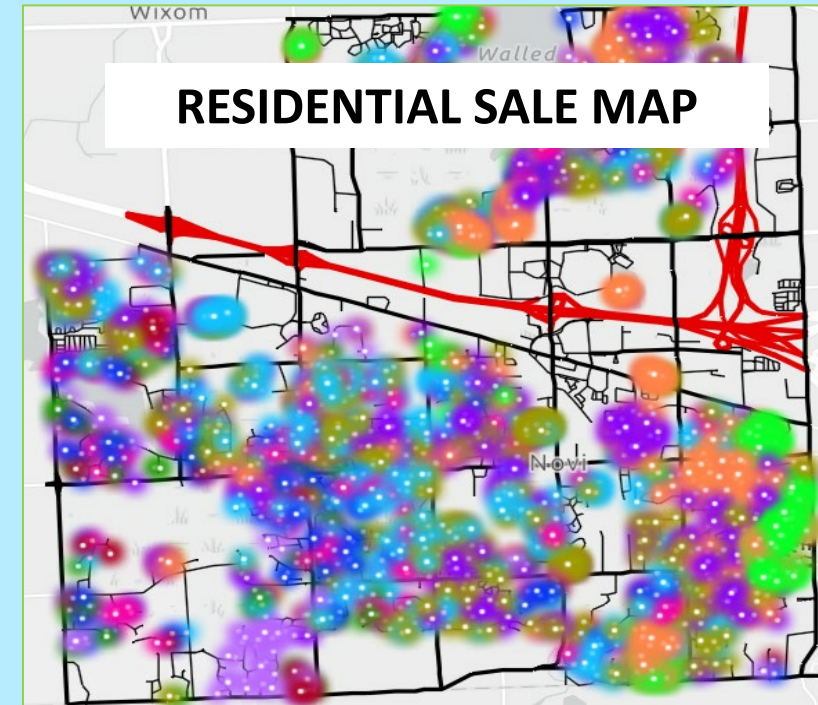
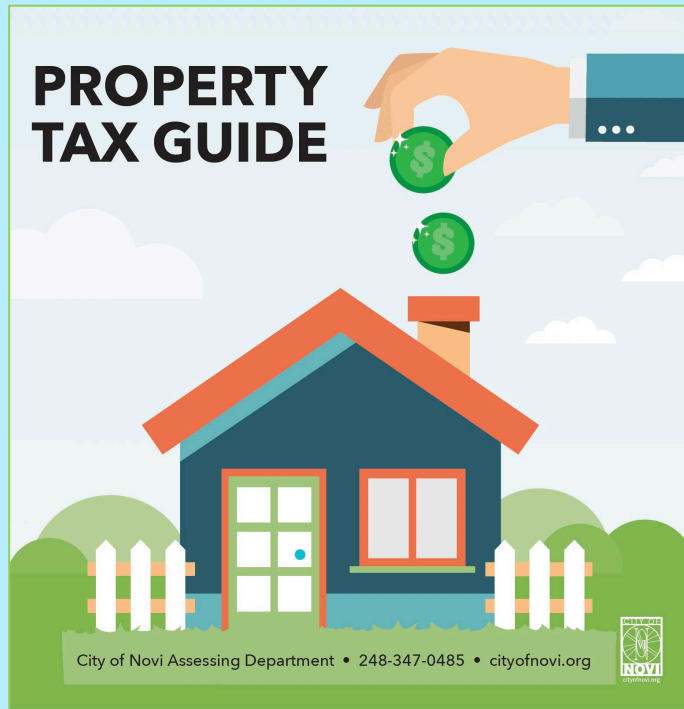
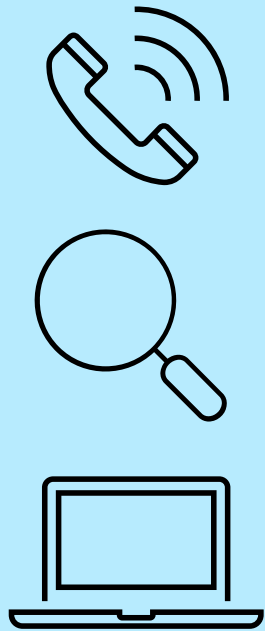
MARKET
DATA

PERSONAL
PROPERTY

CLASSIFY
PROPERTIES

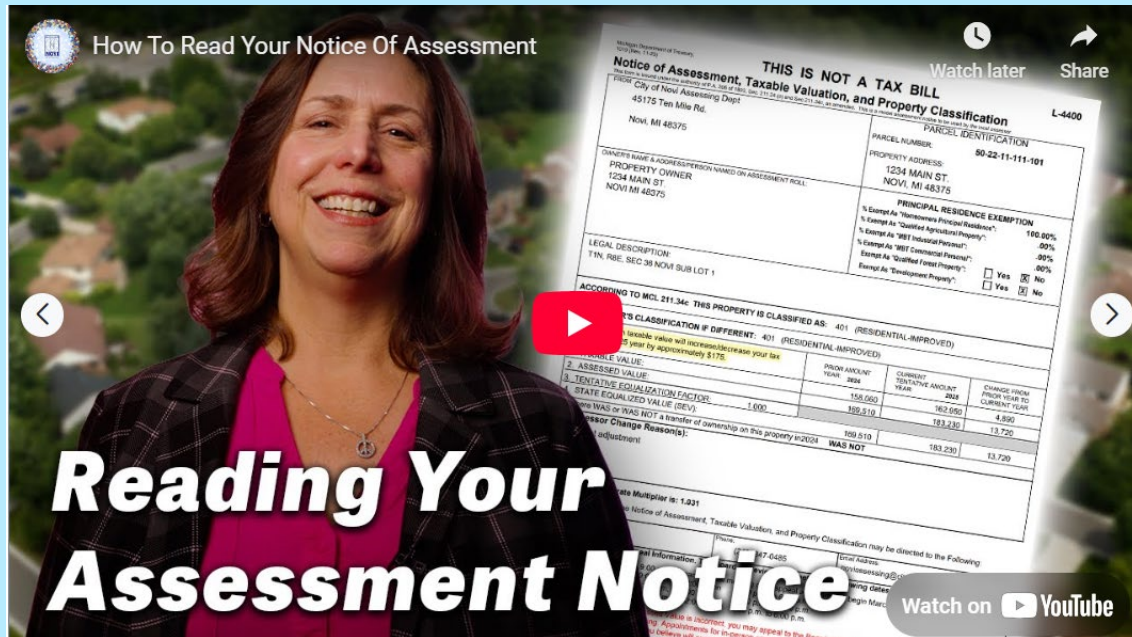
TAX
INCENTIVES &
ABATEMENTS

TRANSPARENCY & EDUCATION



TRANSPARENCY & EDUCATION

INFORMATIVE VIDEOS AND PODCASTS – more to come!



Thank You!

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City Assessor
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