

What is Assessed Value?

Assessed Value is a property value estimated by the assessor as of Tax Day. For 2021, Tax Day is December 31, 2020. That property value is subject to appeal at the March Board of Review.

What is State Equalized Value?

After all appeals are heard, the March Board of Review confirms the assessment roll. That roll is then subject to review by the county and state. Following those reviews State Equalized Value (SEV) is set. SEV is then considered to be 50% of Market Value or True Cash Value as determined on Tax Day.

What is the formula for Capped Value?

The Capped Value calculation is used to determine Taxable Value. 2021 Capped Value (CV): The 2021 formula is: $(2020\ TV - 2021\ Losses \times IRM + 2021\ Additions = 2021\ Capped\ Value)$. The 2021 Inflation Rate Multiplier (IRM) is 1.014. Losses are considered to be physical losses to the property. Additions are considered to be physical additions to the property.

What is Taxable Value?

Taxable Value (TV) is the lesser of Assessed Value and Capped Value. In the year following a transfer of ownership (sale, gift, inheritance, etc.) the Taxable Value will be equal to the Assessed Value. In Michigan, taxes are based on Taxable Value, not State Equalized Value. Taxable Value can never be higher than the Assessed Value.

Why aren't my assessed and taxable values equal to each other?

For most Novi properties, market values are increasing. The state constitution requires that properties are assessed at 50% of market value. However taxable value increases are limited to the 2021 statewide IRM or commonly called inflation rate of 1.014. So even if your neighborhood increases 10% because of market activity, your taxable value will only increase 1.014. In this example, it's a good news/good news story for the homeowner. While values aren't back to pre-recession levels, property owners are less underwater and property tax increases are limited.

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. Market sale transactions for real property are used by Michigan assessors to compare assessed (AV) with the actual sale prices (market

value) for those properties. Market value can be defined as the most probable price, as of a specific date, where both buyer and seller are knowledgeable and neither is under duress.

What is the time period considered in the 2021 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 2021, Novi will use a 24 month study. For Novi that period is from April 1, 2018 to March 31, 2020 and includes over 2,000 sales. The 24 month sales study helps the taxpayer because it considers older sales. The City of Novi used one year sales studies from 2008 through 2011 when residential activity showed overall declines.

When can I appeal my assessment?

By law, the only time you may appeal your assessment is at the 2021 March Board of Review, which will begin the second Monday in March. After you receive the Change of Assessment notice you may file a completed petition to make an appointment. Read the Change of Assessment Notice for dates and times. Petitions are available online or at the Assessing Department counter.

[Read the Board of Review Notice for dates and times.](#)

[Board of Review Petition](#)

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.

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.

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 state income tax. You may receive up to \$1,200 back from the State of Michigan depending on your income and property tax amounts. New legislation may affect homestead refund amounts.

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 online](#). Access the Assessor's area and you may look up information by name, address or parcel number. Square footage & 2020 values are available and we have the drawings of the ground floor areas online and available for viewing. Information is also available at the Assessing Department counter as soon as the 2021 notices are mailed.

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. [Change of Address form](#).

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 June 1. Recent legislation allows for a partial homestead for homes acquired after June 1 and before November 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 cityofnovi.org under the Assessing forms link.

Why is my neighbor paying lower taxes than me?

On March 15, 1994, Michigan voters approved the constitutional amendments known as Proposal "A".

Prior to Proposal "A" property tax calculations were based on State Equalized Value (SEV). Proposal "A" established "Taxable Value" as the basis for the calculation of property taxes. Increases in Taxable Value (TV) are limited to the percent of change in the rate of inflation or 5%, whichever is less, as long as there were no losses or additions to the property. The limit on TV does not apply to a property in the year following a transfer of ownership (sale).

Suppose your neighbor purchased his home March 20, 2020 and his 2020 State Equalized Value (SEV) was 75,000 and his Taxable Value was 55,000. His July 2020 tax bill will be calculated based on the prior owners taxable value of 55,000 for 2020 only. The year following the transfer the property becomes uncapped. Based on sales of homes in your neighborhood your neighbors new SEV for 2021 is 80,000. Because of Proposal "A" your neighbor's home became uncapped for tax year 2021 and his TV will be the same as his SEV for 2021. His July 2021 tax bill will be calculated using 80,000 TV instead of the prior year's 55,000.

In other words since Proposal "A" passed, you can no longer compare property taxes with your neighbors. You can compare SEV, but remember to compare apples to apples. Items to compare would be square footage of the home, how many baths, is their basement finished, fireplace, garage, decks etc.

How are property taxes calculated?

Property Taxes = Taxable Value/1,000 x your local school district millage rate.