

Property Tax Base Projections

FEBRUARY 2019

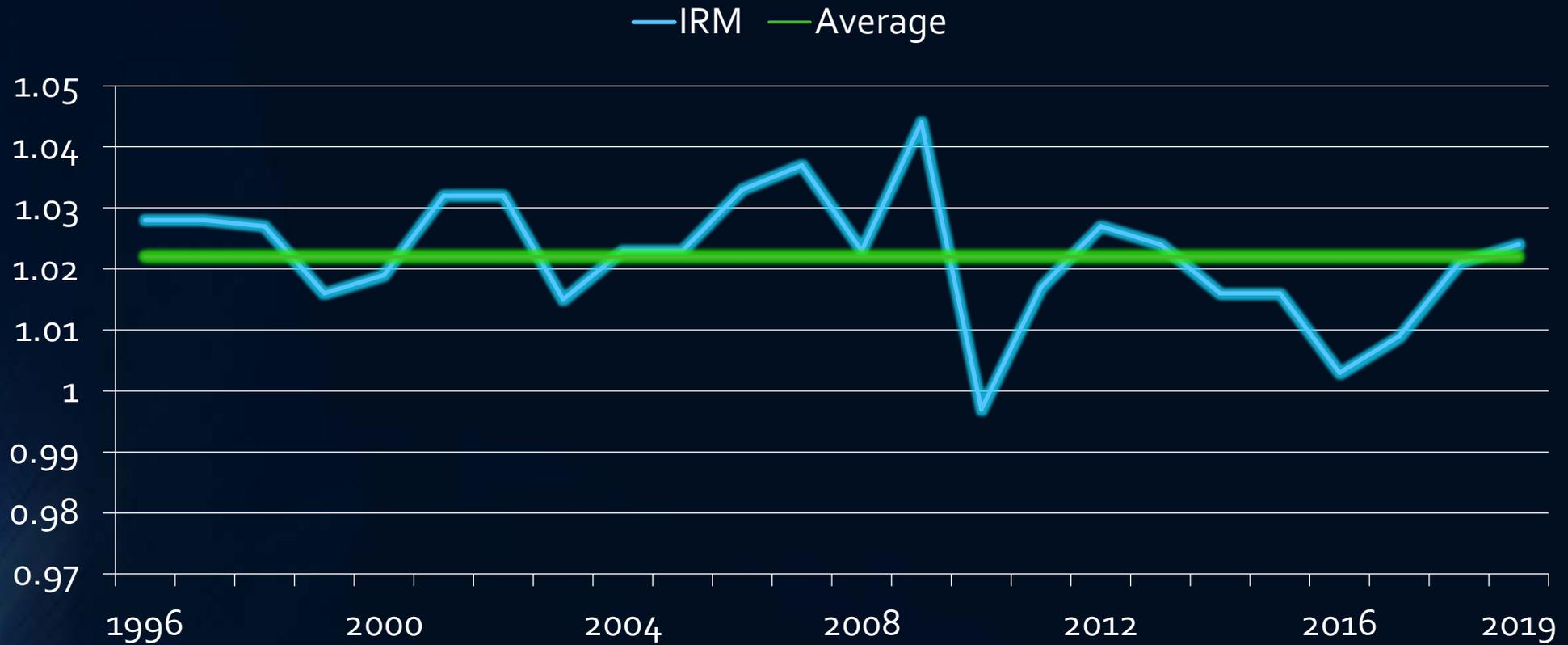


Calculation of Inflation Rate Multiplier

- The 12 monthly values for October 2016 through September 2017 are averaged.
- The 12 monthly values for October 2017 through September 2018 are averaged.
- The ratio is calculated by dividing the average of column 2 by the average of column 1.

Oct-16	241.73	Oct-17	246.66
Nov-16	241.35	Nov-17	246.67
Dec-16	241.43	Dec-17	246.52
Jan-17	242.84	Jan-18	247.87
Feb-17	243.6	Feb-18	248.99
Mar-17	243.8	Mar-18	249.55
Apr-17	244.52	Apr-18	250.55
May-17	244.73	May-18	251.59
Jun-17	244.96	Jun-18	251.99
Jul-17	244.79	Jul-18	252.01
Aug-17	245.52	Aug-18	252.15
Sep-17	246.82	Sep-18	252.44
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Average	243.841	Average	249.749
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		Ratio	1.024
		% Change	2.4%

Inflation Rate Multiplier History



Average	Minimum	Maximum
1.022	0.997	1.044

Assessed and Taxable Value Projections for 2019

RESIDENTIAL PROPERTIES 18,039 PARCELS	2018 ACTUAL	EST NEW/ADDNS	EST LOSS/LOSSES	2019 PROJECTED	EST ADJ ONLY
SEV	\$2,973,021,170	\$56,724,070	\$4,701,440	\$3,140,196,450	\$115,152,650
TAXABLE	\$2,389,711,290	\$53,607,652	\$2,420,369	\$2,533,927,750	\$94,454,605
% CHANGE TO ASSESSED				5.62%	3.87%
% CHANGE TO TAXABLE				6.03%	3.95%
TAXABLE AS A % OF SEV				80.69%	
COMMERCIAL & INDUSTRIAL PROPERTIES 1,073 PARCELS	2018 ACTUAL	EST NEW/ADDNS	EST LOSS/LOSSES	2019 PROJECTED	EST ADJ ONLY
SEV	\$1,200,015,328	\$43,087,559	\$17,062,950	\$1,296,495,950	\$70,456,013
TAXABLE	\$999,114,730	\$36,254,696	\$7,312,765	\$1,048,595,740	\$28,678,765
% CHANGE TO ASSESSED				8.04%	5.87%
% CHANGE TO TAXABLE				4.95%	2.87%
TAXABLE AS A % OF SEV				80.88%	
PERSONAL PROPERTY 2617 TOTAL PARCELS	2018 ACTUAL	EST NEW/ADDNS	EST LOSS/LOSSES	2019 PROJECTED	
SEV & TAXABLE	\$256,827,350	\$54,082,350	\$57,615,370	\$253,294,330	

Assessed and Taxable Value Projections Summary

ALL PROPERTIES 21,729 PARCELS	2018 POST MBOR	EST NEW/ADDNS	EST LOSS/LOSSES	2019 PROJECTED	EST ADJ ONLY
SEV	\$4,429,863,848	\$153,893,979	\$79,379,760	\$4,689,986,730	\$210,524,803
TAXABLE	\$3,645,653,370	\$143,944,698	\$67,348,504	\$3,835,817,820	\$148,049,510
% CHANGE TO ASSESSED				5.87%	4.75%
% CHANGE TO TAXABLE				5.22%	4.06%
TAXABLE AS A % OF SEV				81.79%	

Total Real Property Ad Valorem Values*

	2018	Est	Est	2019
	Post MBOR	New/Addn	Loss/Losses	Projected
SEV	\$4,173,036,498	\$99,811,629	\$21,764,390	\$4,436,692,400
TV	\$3,388,826,020	\$89,862,348	\$9,733,134	\$3,582,523,490

*Ad valorem values do not include personal property

Source: Assessing Data

State Equalization Valuation

ESTIMATE OF 2019 SEV AND TWO YEAR PROJECTION

	ACTUAL			2018 for FY 2018/2019	ESTIMATED	PROJECTED	
	2015 for FY 2015/2016	2016 for FY 2016/2017	2017 for FY 2017/2018		2019 for FY 2019/2020	2020 for FY 2020/2021	2021 for FY 2021/2022
Commercial & Industrial	945,036,120	1,003,473,250	1,108,412,150	1,200,015,328	1,296,495,950	1,374,285,707	1,456,742,849
Residential	2,519,615,900	2,711,324,770	2,879,350,190	2,973,021,170	3,140,196,450	3,297,206,273	3,462,066,586
Personal Property	239,836,740	237,292,830	246,268,600	256,827,350	253,249,330	260,893,160	268,719,955
TOTAL SEV	\$3,704,488,760	\$3,952,090,850	\$4,234,030,940	\$4,429,863,848	\$4,689,986,730	\$4,932,385,139	\$5,187,529,390

	ACTUAL			2018 for FY 2018/2019	ESTIMATED	PROJECTED	
	2015 for FY 2015/2016	2015 for FY 2015/2016	2016 for FY 2016/2017		2019 for FY 2019/2020	2020 for FY 2020/2021	2021 for FY 2021/2022
% Change by Category							
Commercial & Industrial	2.9%	6.2%	10.5%	8.3%	8.0%	6.0%	6.0%
Residential	13.4%	7.6%	6.2%	3.3%	5.6%	5.0%	5.0%
Total Real Property	10.3%	7.2%	7.3%	4.6%	6.3%	5.3%	5.3%
Personal Property	6.6%	-1.1%	3.8%	4.3%	-1.4%	3.0%	3.0%
Change from Previous	10.1%	6.7%	7.1%	4.6%	5.9%	5.2%	5.2%

MTT Case Disposition

TAXYR	PARCELS	DOCKETS	TAXABLE VALUE PLEADING	TAXABLE VALUE LOSS	LOSS PERCENT
2009	566	80	\$309,171,520	\$35,905,822	11.61%
2010	1467	151	\$453,535,797	\$77,644,336	17.12%
2011	1038	202	\$468,765,585	\$123,720,939	26.39%
2012	844	254	\$998,170,716	\$156,064,504	15.64%
2013	820	185	\$526,035,677	\$80,813,858	15.36%
2014	142	74	\$175,821,000	\$23,558,000	13.40%
2015	96	66	\$108,622,697	\$16,388,179	15.09%
2016	32	31	\$16,628,710	\$1,656,505	9.96%
2017	108	17	\$25,913,100	\$2,344,580	9.05%
2018	132	40	\$11,211,990	\$1,492,900	13.32%

*No new filings for 2019 have occurred as of the time of this report, as assessments for 2019 are not finalized until after March board of review is finished.

* Includes Small Claims and Entire Tribunals

Personal Property Tax

- Beginning in 2016 through 2023, eligible manufacturing personal property (EMPP) began to phase out in Michigan. For 2016, EMPP first placed in service before 2006 or after 2012 is exempt from ad valorem taxation, while EMPP first placed in service in 2006 through 2012 is subject to ad valorem taxation but will be phased out accordingly. Taxpayers whose property qualifies as EMPP will claim the exemption by annually filing with the assessor both in form and by affidavit and are still subject to ad valorem tax and an Essential Services Assessment (ESA), which is a specific tax.
- Small Business Taxpayer exemptions provide for personal property "assessed value" less than \$40K, provide they are also filed timely and properly with local assessor.
- 2019 tax year is the 3rd year that Tax Management Associates has worked with the City of Novi in its personal property assessment processes.

2019 Headlee Calculation

$$\frac{(2018 \text{ Taxable Value} - \text{Losses}) \times \text{IRM}}{2019 \text{ Taxable value} - \text{Additions}}$$

BASED ON CURRENT PROJECTIONS*:

$$\begin{aligned} \frac{(\$3,645,653,370 - \$67,348,504) \times 1.024}{\$3,835,817,820 - \$143,944,698} &= \frac{\$3,664,184,183}{\$3,691,873,122} \\ &= 0.9925 \end{aligned}$$

For numbers of 1.0000 or higher - no millage rollback

REAL PROPERTY ONLY (NO PERSONAL PROPERTY):

$$\begin{aligned} \frac{(3,388,826,020 - \$9,733,134) \times 1.024}{\$3,582,523,490 - \$89,862,348} &= \frac{\$3,460,191,115}{\$3,492,661,142} \\ &= 0.9907 \end{aligned}$$

MTT 2009 – 2018 Docket Log

— PARCELS — DOCKETS



MTT 2009-2018, TAXABLE VALUE PLEADING vs TAXABLE VALUE LOSS

