

Frequently Asked Questions

My Neighbor and I have very similar homes. Why is my tax bill higher than theirs?

If you have a home that is truly similar to your neighbor's home, your SEV should be about equal to theirs; however, the Taxable Values would probably not be the same. Since Proposal A of 1994 the Taxable Value is used to calculate taxes. Each Taxable Value will depend on when the property was purchased and it is also subject to any additions and/or losses to the property. The SEV and Taxable Value are not the same and should not be compared when evaluating an assessment notice or tax bill.

I just purchased my home. Shouldn't the Assessed Value be half of what I paid?

No. By state law, a home's Assessed Value is not half of the purchase price, but half of its market value. The purchase price may or may not be the same as the market value.

Last year I purchased my home, why did my taxes go up?

Proposal A of 1994 states that the year after the home is transferred to a new owner the Taxable Value becomes equal to the Assessed Value. This becomes the new Taxable Value for the new owner.

Who qualifies for the Principal Residence Exemption?

If you own and occupy the home as your principal residence, it may be exempt from a portion of the local school operating taxes (18 mills). To claim an exemption you must complete the Principal Residence Exemption Affidavit and file it with the Assessor's Department by June 1st for Summer taxes and November 1st for Winter taxes. However, in Waterford Township the school operating mills are only on the Summer tax bill.

Who are the members of the Board of Review?

The Board is composed of three members who are taxpayers of Waterford Township.

When does the Board meet?

The Board meets in March for Assessed Value appeals and July and December for clerical errors and some exemptions. Call the office or visit the website to find out the exact dates the Board meets.



Waterford Township
Assessing Department
5200 Civic Center Drive
Waterford Township, Michigan 48329
248-674-6270
www.waterfordmi.gov



Resident's Guide

To Understanding Assessments and Taxes



Waterford Township

Proposal A

In 1994, Michigan voters approved the constitutional amendment known as Proposal A. It is designed to limit the growth in property taxes by the Consumer Price Index until ownership of the property is transferred.

Before Proposal A, property taxes were based upon the State Equalized Value (SEV) which fluctuated from year to year depending on the market. With Proposal A, property taxes are based upon the Taxable Value.

Taxable Value

In 1994, all properties became “capped”. The property’s SEV then became the new Taxable Value. From that point forward, Taxable Value can increase only three ways:

- Transfer of Ownership
- Physical Changes to the property
- Change in Consumer Price Index (CPI) not to exceed 5%

Transfer of Ownership

When a transfer of ownership takes place on a property, the Taxable Value is uncapped and becomes equal to the Assessed Value for the following year. From that point forward the Taxable Value goes up the rate of inflation (CPI) or no more than 5%.

Physical Changes

Any change in Assessed Value due to a physical change will also affect the Taxable Value. Any loss in value would be subtracted, and any new value would be added after applying the CPI. All assessments are based on what is physically on the property as of December 31st. Most maintenance items such as roof, siding, windows, landscaping, etc. are not considered for physical addition to the property.

Consumer Price Index

Every year the State of Michigan calculates the Consumer Price Index. The CPI is a statistic that tracks the cost of living in Michigan. The CPI is based on data released by the US Department of Labor for a 12 month period, using the state of Michigan’s fiscal year. Every property in Michigan will have an annual increase on their Taxable value based on the CPI or 5% (whichever is lower).

Market Value

The Assessed Value represents 50% of the Market Value. The figure is calculated through a study of sales in the Township for a two year period. For example the study dates for the 2023 Assessment year is April 1, 2020 to March 31, 2022.

The Township is divided into different areas called economic neighborhoods. The neighborhoods have similar homes and are sometimes defined by geographic areas. The sales in each area are evaluated to establish the percentage by which values will change.