

GUIDELINE RESOLUTION FOR POVERTY EXEMPTION

Whereas, the adoption of guidelines for poverty exemptions is required of the Township Board; and

Whereas, the principal residence of persons, who the Assessor and Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

Whereas, pursuant to PA390 of 1994, The Township of Georgetown, Ottawa County adopts the following guidelines for the Board of Review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- 2) File a claim with the assessor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or in the current year.
- 3) File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 7) The application for an exemption shall be filed after January 1, but one day prior to the last day of the Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

The following are the federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income from all persons residing in the principal residence.

2019 Federal Poverty Guidelines for 2020 Assessments

Number of Persons Residing in the Principal Residence	
1 person	\$12,490
2 persons	\$16,910
3 persons	\$21,330
4 persons	\$25,750
5 persons	\$30,170
6 persons	\$34,590
7 persons	\$39,010
8 persons	\$43,430
Each additional person over 8 persons, add	\$4,420

Asset Test

The value of property in excess of what is considered to be part of the original homestead shall be considered an asset.

Assets include, but are not limited to:

Real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, saving and checking accounts, stocks, bonds, life insurance, retirement funds, etc. For purposes of this section, the Board of Review shall consider the value of the assets and the assets shall not be reduced by any amount of indebtedness owed on such assets, or indebtedness otherwise owed by applicant(s).

Assets excluding the original homestead shall not exceed **\$4,000** for individual applicant and/or **\$6,000** per household if more than one financial contributor.

Calculation of Percent of Exemption Granted

The level (%) of exemption will be calculated based on what percentage the applicant's annual income plus assets are below the current annual Federal Poverty Guidelines.

Example:

Federal Poverty Guideline Level for a 1 person household	\$12,490
Annual income	\$8,000
Value of assets exceeding asset test	<u>\$1,000</u>
Total income including assets	<u>\$9,000</u>
Difference between income plus assets and the federal poverty level in dollars	\$3,490
Exemption granted as a percent $\$3,490 / \$12,490 = .28$ (rounded to 2 decimals)	28 %

NOW, THEREFORE, BE IT HEREBY RESOLVED that the assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the supervisor/assessor and Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these reasons are communicated in writing to the claimant.

The forgoing resolution offered by Township Board Member _____ and supported by Township Board Member _____.

Upon roll call vote, the following voted:

“Aye”: _____

“Nay”: _____

The Township Clerk declared the resolution _____.

Richard VanderKlok, Clerk Date