

RESOLUTION FOR POVERTY EXEMPTION

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

WHEREAS, the principal residence of persons, who the Supervisor/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 PA 390 of 1994, Clark Township 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 supervisor/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 or a signed State Tax Commission Form 4988, Poverty Exemption Affidavit.
- 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 the 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 December 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.

Approved
12-19-18

Asset Guidelines: As required by P.A. 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit SHALL also include an asset level test.

The following assets shall not be considered when applying an asset test to determine qualification for tax exemption.

I. The value of the applicant's primary residence subject to the exemption request , except as follows:

Under no circumstances shall a poverty exemption be granted on a principal residence purchased within two (2) years from the appeal date. An exemption shall also not be granted to a property whose aggregate state equalized value exceeds the city wide average, as calculated by the Township assessor, unless it has been the sole primary residence of a senior citizen as defined by the Michigan Income Tax Act for the past ten (10) consecutive years.

II. The value of all personal property, such as furniture and clothing.

Notwithstanding the value of property listed above, in order to be considered for tax exemption under MCL 211.7u, **the value of all additional assets shall not exceed five (5) times the annual household income of the applicant.**

All asset information, as requested in the application for property tax exemption must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if assets are not properly identified.

The following are the 2018 federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

STC Bulletin No. 24 of 2017, Changes For 2018, November 28, 2017

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2019.

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$20,780 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$20,780. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2019 assessments.

Size of Family Unit	Poverty Guidelines
1	\$ 12,140
2	\$ 16,460
3	\$ 20,780
4	\$ 25,100
5	\$ 29,420
6	\$ 33,740
7	\$ 38,060
8	\$ 42,380
For each additional person	\$4,320

Note: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 6 of 2017 for more information on poverty exemptions.

Note: P.A. 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.

Summary in conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for Clark Township takes this task seriously and attempts to provide relief to all deserving residents within Clark Township. The Board of Review may deny any appeal regardless of income, if the financial hardship appears to be self-created by the actions of the person or persons making the application. The Board of Review reserves the right to modify these guidelines as necessary.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the supervisor/assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the 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 foregoing resolution offered by Clark Township Board Member Schuster

And supported by Clark Township Board Member Patton

Upon roll call vote, the following voted:

"Aye": Rutledge, Sherlund, Clymer, Schuster, Patton

"Nay": none

The Clark Township Clerk declared the resolution passed.

Susan Rutledge 12-19-18

Susan Rutledge, Clerk

Date

November 12, 2020

To: Clark Township Board Members,

The attachment has the schedule of the State of Michigan approved Federal Poverty Guidelines for 2021. These figures will be used as Township guidelines for Poverty Exemptions granted in 2021 at the March Board of Review. The Township asset test states "not to exceed five (5) times the annual household income of the applicant. This does not include the home."

Also, the Board of Review Members needs to be approved for the next two-year term.

The Board of Review Members will need to complete an annual continuing education requirement. With proof of completion file with the Assessor office.

Thank you for your consideration in this matter.

Respectfully,



Sherry Burd

Assessor

*Bd Approved 11-18-2020
Susan Rutledge*

STC Bulletin No. 17 of 2020,

B. Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2021.

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$21,720 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$21,720. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2021 assessments.

Size of Family Unit	Poverty Guidelines
1	\$ 12,760
2	\$ 17,240
3	\$ 21,720
4	\$ 26,200
5	\$ 30,680
6	\$ 35,160
7	\$ 39,640
8	\$ 44,120
For each additional person	\$4,480

Note: PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available. Please see STC Bulletin 6 of 2017 for more information on poverty exemptions.

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