

2021-02

**A RESOLUTION ESTABLISHING POVERTY GUIDELINES FOR EXEMPTION
FROM PROPERTY TAX CONTRIBUTIONS**

WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the township board;
and

WHEREAS, the homestead of persons who, in the judgment of the Supervisor and Board of Review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under Public Act 390, 1994(MLC211.7u) and

WHEREAS, pursuant to PA390, 1994, Haring Township, Wexford County, adopts the following guidelines for the supervisor and board of review to implement. The guidelines shall include but not be limited to the specific income and assets 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;

PROCESS:

To file a poverty exemption from property tax contribution in Haring Township, the following processes shall be used:

1. File a claim with the supervisor or board of review, accompanied by federal and state tax returns for all persons residing in the homestead, including any property tax credit returns filed in the immediately preceding year or in a current year or an affidavit that states that you are not required to file a tax return as provided by the state tax commission.
2. Produce a valid driver's license or other form of identification if requested.
3. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
4. The application for and exemption shall be filed after January 1, but before the day prior to the last day of board of review.
5. Any tax exemption given to an individual under these guidelines shall be for the one (1) year's taxes and a new application will be required for the next year.
6. Board of Review may grant up to 100%, or deviate from the guidelines if compelling reasons are presented.

ELIGIBILITY:

Eligibility for exemption from property tax contributions is set as follows:

1. Be an owner of and occupy as a homestead the property for which an exemption is requested.
2. Meet the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget.
3. The guidelines apply to individuals and not to corporations, partnerships, associations, or trusts. In the event that a partnership, association, or co-owners apply, the guidelines apply to the total assets of all individuals involved. In the event that a trustee, guardian, personal representative or other administrator applies, the guidelines apply to the total assets of the beneficiaries, in or out of

- the trust or estate, no matter how held. The purpose of this rule is to have the guidelines apply to the assets of all individuals involved.
4. The guidelines apply to the owner of a life estate. The owner of the life estate must reside upon and use the property as his or her principal residence in accordance with MCL211.7u and 211.7dd.
 5. You will not qualify for an exemption if you have purchased your homestead or built a homestead within three (3) years of application.
 6. The guidelines shall include an analysis of all gifts given by the applicants within three (3) years of the date of the application. An applicant cannot divest him or herself of assets and then claim poverty. No fixed amount is set as a factor, as each applicant must be handled on a case-by-case basis.
 7. The applicant qualifies under the asset or income levels but voluntarily quits a job that would otherwise render the applicant ineligible for a poverty exemption and is not on disability.

ASSET DETERMINATION:

A number of factors will be weighed in order to determine whether an applicant qualifies for an exemption.

1. Factors analyzed will include the following:
 - a. Income levels
 - b. Total value of liquid assets
 - c. Total non-homestead real property
 - d. Total acreage owned: could include the minimum zoning footprint for the home
 - e. Non-essential personal property
 - f. Total value of all assets
 - g. Gifts made within three (3) years
 - h. Employability
 - i. Retirement account, value I.R.A., 401K, etc. Other factors suggesting an individual's worth, including, but not limited to life insurance, business, lawsuits, judgments due, etc.

In compliance with *Ferrero v Walton Township*, 295 Mich App 475: 813 NW2d 368 (2012), when determining "total applicant obtained from claiming homestead property tax exemption and receiving a property tax credit therefrom. Returns concerning the homestead property tax credit may be used only to ensure compliance with Paragraph 4 of this policy.

"Total household Income" is defined as money, wages, and salaries before deductions; net receipts from non-farm self-employment, business, professional, enterprise, or partnership after, deductions for business expenses; regular payments from social security, retirement, unemployment or worker's compensation, veteran's payments, public assistance; alimony, child support, military family allotments or other regular support from an absent family member or someone not living in the household; private pensions, government pensions, annuity or insurance payments; scholarships, grants, fellowships, assistantships, dividends, interest, rental income, royalties, periodic receipts from estates or trusts, and gambling or lottery winnings.

2. Total liquid assets must not exceed the value of \$10,000.00 unless the total liquid and non-liquid assets are underneath the applicable federal poverty guidelines threshold. Assets beneath \$10,000.00 shall be considered together with other factors in order to determine eligibility. Liquid assets to be considered include cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks, and other similar type of assets.

3. Total non-homestead and non-qualified agricultural real property shall not exceed the value of \$1,000.00 unless the total liquid and non-liquid assets to be considered are underneath the applicable federal poverty guidelines threshold.
4. The non-essential personal property shall not exceed \$5,000.00. Non-essential personal property includes but is not limited to horses, snowmobiles, boats, motorcycles, jet skis, and all-terrain vehicles. The purpose of this factor is to exclude from poverty consideration those individuals who have purchased recreational, hobby, or sporting property, not related to essential needs.
5. Total assets should not exceed \$10,000.00. Prepaid funeral expenses are not considered an asset.

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

The foregoing resolution offered by Board Member Baldwin and support by Board Member T. Dewey

Upon Roll Call Vote motion carried unanimously.

Aye: 7

Nay: 0

Absent: 0

The Supervisor declared the resolution adopted.

 Supervisor

CERTIFICATION

I, the undersigned and duly qualified and acting clerk of Haring Township, Wexford County, Michigan, (the "Township") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a regular meeting held on 1-11-21 the original of which is on file in my office and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

STC Bulletin No. 17 of 2020

Changes For 2021

October 20, 2020

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