

RESOLUTION FOR POVERTY EXEMPTION
POVERTY GUIDELINES – 2021

WHEREAS, the adoption of guidelines for poverty exemption is required by **Victory** Township Board; and

WHEREAS, the principal residence of persons, who the 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, the Township of Victory, Mason 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 homestead the property of which an exemption is requested.
2. File a claim with the board of review, accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns filed in the immediately preceding year or in the current year or a 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 a deed, land contract or other evidence of ownership of the property for which an exemption is requested, if requested.
6. Meet the federal poverty income standards as defined and determined annually by the U.S. 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. Produce all records of income (social security, pay stubs, etc.).
8. Produce all records of expenses (utility bills, payments, etc.).
9. Produce all bank statements (savings accounts, checking accounts, savings bonds, etc.).
10. Any additional eligibility requirements as determined by the township board of review.
11. 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 to appeal to the Michigan Tax Tribunal.
12. **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 \$21,330. Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2020 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

Asset Test:

All applicants must also meet all of the following asset requirements. As required by PA 390 of 1994, all guidelines of 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 qualifications to tax exemption:

The value of the applicant's primary residence subject to the exemption request along with any contiguous residential land except as follows:

Under no circumstances shall a poverty exemption be granted on a principal residence purchased within two years from appeal date.

Notwithstanding the value of the property listed above, in order to be considered for tax exemptions under MCL 211.7u, **the value of all additional assets shall not exceed 1.5 times the annual household income* of the applicant.**

*(Household income as described in Annual Federal Income Levels, as adopted by the township board)

All asset information, as required in the application for Poverty 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.

SUMMARY:

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.

The foregoing resolution offered by Victory Township Board Member Jerome Papes and supported by Victory Township Board Member Bob Kesling.

Upon roll vote, the following voted:

Ayes: Barb, Jim, Bob, Patti, Jerome

Nays: None

Motion carried

Victory Township Clerk declare the resolution Passed

Township Clerk Barbara J. Egele : Date February 8, 2021