

Lovells Township
RESOLUTION for Poverty Exemption Income Guidelines and Asset Test

RESOLUTION # 2-8-2022

WHEREAS, the General Property Tax Act, MCL 211.7u, states that 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 the General Property Tax Act; and

WHEREAS, the township board is required by MCL 211.7u to adopt guidelines for the poverty exemption;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Supervisor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

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.

To be eligible for exemption, a person must do all of the following on an annual basis:

- (1) Own and occupy, as a principal residence, the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.
- (2) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, 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. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year, and an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return.
- (3) Produce a valid driver license or other form of identification if requested by the supervisor or board of review.
- (4) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
- (5) Meet the federal poverty income guidelines as defined and determined annually.
- (6) Meet additional eligibility requirements as determined by the township board, including:
 - (a) If income exceeds the federal poverty income guidelines **or** assets exceed the amounts described below, a Poverty Exemption shall not be granted.
 - (b) The Asset Level established under PA 390 of 1994 as described in State Tax Commission Bulletin 6 of 2017, shall be employed. This asset level test is adopted annually by the Township Board policy and the Board of Review:
 - a. Cash assets of the total household, may not exceed an amount equal to two month's gross household income. This includes all forms of money generated, including income as described by the US Census Bureau, that is being held as: cash, money in checking/savings accounts, stocks/bonds, one-time insurance payments/cash-out option insurance policies, coin/antique/artwork collections, boats, ORV's, motorcycles, recreational vehicles, jewelry, retirement accounts, gifts, loans, lump-sum inheritances, money markets and other financial institution accounts, an/or instruments or securities which can be readily converted to cash.
 - b. Fixed Assets to the total household may not exceed \$5,000. Non-cash assets are defined as those, which are not considered to be cash assets, as defined above.
 - c. Other Property, including real estate, of any value, that could be converted to cash and used to pay property taxes. Other real estate is defined as: real estate other than the primary dwelling and minimum footprint of land.
 - d. The following assets are excluded from this limit:
 - i. Applicant's principal residence and adequate transportation
 - ii. Applicant's household personal property

- iii. Assets not accessible by the applicant, co-owner, or any member of the applicant's household.

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 for all persons residing in the principal residence.

Size of Family Unit	Poverty Guidelines
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660
For each additional person	\$4,540

BE IT ALSO RESOLVED that the supervisor and board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by:

Township Board Member NEUMANN

and supported by

Township Board Member LOVELL

Upon roll call vote, the following voted:

"Aye": DUBOY, HOPP, INFANTE-INMAN, LOVELL, NEUMANN

"Nay": NONE

The Township Supervisor declared the resolution adopted.

I, Cynthia Infante-Inman, the duly elected and acting Clerk of Lovells Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on 2/8, 2027, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.


Cynthia Infante-Inman, Township Clerk

POVERTY EXEMPTION GUIDELINES and POLICY FOR APPLICANTS REQUESTING CONSIDERATION FOR POVERTY EXEMPTION

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

1. An applicant shall obtain the Michigan Department of Treasury form 5737 and a copy of the Township Board adopted Poverty Exemption Policy, which outlines the Board of Review approved asset test, from a Township Officer on or after January 1 each year but before the day prior to the last day of Board of Review. If the local assessing unit maintains a website, the local assessing unit shall make the policy and guidelines, and Michigan Department of Treasury form 5737, available to the public on the website, as described in PA 253 of 2020. https://www.michigan.gov/documents/treasury/5737_01-21_713515_7.pdf
2. An applicant shall meet all of the following qualifications:
 - a. Own and occupy, as their principal residence, the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing form 5737, as prescribed by the state tax commission, with the Board of Review where the property is located.
 - b. Produce a driver license or other form of identification for all individuals residing in the home.
 - c. Produce a deed, land contract, or other evidence of ownership of the property, as requested.
 - d. Submit current year/immediately preceding year copies of the following, as requested:
 - i. Federal and State Income Tax Return – all forms
 - ii. Michigan Homestead Property Tax Credit Claim MI-1040CR
 - iii. Michigan Homestead Property Tax Credit Claim for Veterans and Blind People MI-1040CR-2
 - iv. Statement from the Social Security Administration <https://www.ssa.gov/myaccount/statement.html>
 - v. Statement from the Michigan Department of Health & Human Services
 - e. Meet the prior year published United States Department of Health & Human Services Federal Poverty Guidelines, as they have been adopted by the local governing body:

Size of Family Unit	Poverty Guidelines
1	\$12,880
2	\$17,420
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8	\$44,660
For each additional person	\$4,540

3. Exemptions may be granted in whole or in part, as follows:
 - a. 100% reduction of Taxable Value
 - b. 50% reduction in Taxable Value
 - c. 25% reduction in Taxable Value
4. Income includes, but is not limited to the following according to the US Census Bureau
 - a. Money, wages, salaries before deductions, regular contributions from persons not living in the residence
 - b. Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions)
 - c. Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, public assistance, supplemental security income (SSI)
 - d. Alimony, child support, military family allotments
 - e. Private and governmental retirement and disability pensions, regular insurance, annuity payments

- f. College or university scholarships, grants, fellowships, assistantships
 - g. Dividends, interest, and net income from rentals, royalties, estates, trusts, gambling or lottery winnings
5. An Asset Level Test, as determined by the government body / Board of Review, is established under PA 390 of 1994 as described in State Tax Commission Bulletin 6 of 2017, to determine if asset limits have been met. This asset level test is adopted annually by the Township Board policy and the Board of Review:
- a. Cash assets of the total household, may not exceed an amount equal to two month's gross household income. This includes all forms of money generated, including income as described by the US Census Bureau, that is being held as: cash, money in checking/savings accounts, stocks/bonds, one-time insurance payments/cash-out option insurance policies, coin/antique/artwork collections, boats, ORV's, motorcycles, recreational vehicles, jewelry, retirement accounts, gifts, loans, lump-sum inheritances, money markets and other financial institution accounts, an/or instruments or securities which can be readily converted to cash.
 - b. Fixed Assets to the total household may not exceed \$5,000. Non-cash assets are defined as those, which are not considered to be cash assets, as defined above.
 - c. Other Property, including real estate, of any value, that could be converted to cash and used to pay property taxes. Other real estate is defined as: real estate other than the primary dwelling and minimum footprint of land.
 - d. The following assets are excluded from this limit:
 - i. Applicant's principal residence and adequate transportation
 - ii. Applicant's household personal property
 - iii. Assets not accessible by the applicant, co-owner, or any member of the applicant's household.
6. If your income exceeds the amounts shown **or** your assets exceed the amounts shown, you are NOT eligible for a Poverty Exemption.
7. An applicant who is otherwise qualified shall not be granted an exemption if the applicant owns any other parcel of real property, whether improved or not, in addition to their principal residence dwelling and minimal land footprint.
8. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner and all members of the household. Any attempt to hide and/or shift assets to another person, business or corporation shall be grounds for denial.
9. All applications will be reviewed based on all information gathered. Including data and statements given to the Board of Review by the applicant. The Board of Review may use information gathered from any source.
10. Applicants are subject to investigation of any/all financial and property records, in an effort to verify information provided in regards to this property tax exemption claim.
11. No exemption shall be granted if the current year adopted application is not completely filled out. If a question or statement does not apply, "N/A or not applicable" shall be written in the appropriate space.
- a. The applicant must mark the box, on page 4, indicating that this policy & guidelines, have been reviewed, including the income and asset levels.
 - b. Applications shall be signed and dated to certify the information is complete, accurate, and the applicant is entitled to the exemption.
 - c. **Documentation is required and must be attached to the application for it to be excepted as complete. This includes the prior 3 consecutive months' statements for each account listed in Part 6.**
 - d. Documentation from every item listed in PART 1 through Part 11 must be attached to the application.
 - i. PA 135 of 2021 allows for Treasury Form 4988 to be filed for all persons residing in the residence who are not required to file federal or state income tax returns in the current or immediately proceeding year. https://www.michigan.gov/documents/treasury/4988_388856_7.pdf
12. Applications may be reviewed by the Board of Review, during their scheduled meeting, without the applicant being present. However, the Board of Review may request the applicant be available to respond to questions. Teleconferencing for the purpose, will be permitted. This policy is considered prior notification that the applicant shall make themselves available for questions.
13. The applicant may be questioned about items they deem as personal, including financial/health matters, and/or information about other people residing in the applicant's home, during the Open Meeting of the Board of Review. All meetings of the Board of Review are subject to the Open Meetings Act, PA 267 of 1976.