

Banks Township
RESOLUTION for Poverty Exemption Income Guidelines and Asset Test

RESOLUTION # 6 of 2021

WHEREAS, Banks Township Board adopted a Resolution for Poverty Exemption July 19, 2021; and

WHEREAS, Banks Township Board is updating the Poverty Exemption Resolution & Asset Test to correct one of the standards; and

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:
- 1) 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.
 - 2) Fixed Assets to the total household may not exceed \$15,000. Non-cash assets are defined as those, which are not considered to be cash assets, as defined above.
 - 3) 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.
 - 4) 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	\$12,760
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

WHEREAS, pursuant to PA 253 of 2020, if a person claiming an exemption qualified under the eligibility requirements, the board of review shall grant the exemption in whole or in part, as follows:

- (a) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
- (b) A partial exemption equal to 1 of the following:
 - (i) A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.

(ii) As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

WHEREAS, the Township Board resolves to permit a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption and to permit a principal residence exempt for the first time from the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption and if the person who establishes initial eligibility receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.

WHEREAS, both of the following apply to a person who obtains an extended exemption:

(a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(i) The person ceases to own or occupy the principal residence for which the exemption was extended.

(ii) The person experiences a change in household assets or income that defeats eligibility for the exemption.

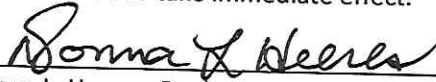
(b) If the person fails to file a rescission as required and the property is later determined to be ineligible for the exemption, the person is subject to repayment of any additional taxes with interest.

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 Donna Heeres and supported by Township Board Member Katherine Postmus.

Upon roll call vote, the following voted: Cooper: YES; Postmus: YES; Heeres: YES; Busman: YES. Absent: Rasmussen. Township Supervisor Alex Busman declared the **resolution adopted**.

I, Donna L. Heeres, the duly elected and acting Clerk of Banks 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 September 20, 2021, 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.



Donna L. Heeres, Banks Township Clerk, September 20, 2021