

CITY OF EVART

RESOLUTION NO. 13-2018

**2019 POVERTY GUIDELINES
RESOLUTION**

WHEREAS, the adoption of guidelines for poverty exemption is within the purview of the City Council; and

WHEREAS, the principal residence of persons, who the 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 MCL 211.7u.; and

WHEREAS, pursuant to MCL 211.7u., the City of Evart adopts the following guidelines for the Assessor and Board of Review to implement:

A. 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;

B. 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 completed City of Evart Poverty Exemption Application with the Assessor or Board of Review, accompanied by all documentation that is required and/or listed in the application.
- 3) Produce a valid driver's license or other form of identification, if requested.
- 4) Produce a deed, land contract, or other evidence of ownership of the property, for which an exemption is requested if requested.
- 5) 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 City Council. (Alternative guidelines shall not require less income to qualify for the poverty exemption than the Federal guidelines require).
- 6) Meet the asset levels set by the City Council. In order to be considered for tax exemption under MCL 211.7u, the value of all additional assets shall not exceed the levels established by the City Council as outlined the City of Evart Poverty Exemption Application. All asset information must be completed in full. The Board of Review and/or Assessor may request additional information and verification of assets if deemed necessary. The Board of Review may reject any application if assets are not properly defined.
- 7) The application for an exemption shall be filed after January 1, but no later than one day prior to the last day of the Board of Review.

8) Any additional eligibility requirements as determined by the City Council;

NOW, THEREFORE, BE IT HEREBY RESOLVED that the assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the assessor and 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 City Council Member Joyce, and supported by City Council Member Hildebrand.

Upon roll call vote, the following voted:

"Aye": Carlson Hildebrand Joyce Elliott Szeliga

"Nay": none

The City Clerk declared the resolution adopted:

Heather Pattee, City Clerk Heather Pattee
Date 12-17-18

2019 CITY OF EVART'S POVERTY EXEMPTION APPLICATION

I, _____, Petitioner, being the owner and residing at the property that is listed below as my principal residence, apply for property tax relief under MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893. The principal residence of persons who, in the judgment of the township supervisor or city assessor and board of review, by reason of poverty are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation per MCL 211.7u(1).

In order 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.

PERSONAL INFORMATION: Petitioner must list all required personal information.

Property Address of Principal Residence:	Daytime Phone Number:	
Age of Petitioner:	Marital Status:	Age of Spouse:
Number of Legal Dependents:	Age of Dependents:	
Applied for Homestead Property Tax Credit (yes or no):	Amount of Homestead Property Tax Credit:	

REAL ESTATE INFORMATION: List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the BOR meeting.

Property Parcel Code Number:	Name of Mortgage Company:	
Unpaid Balance Owed on Principal Residence:	Monthly Payment:	Length of Time at This Residence:
Property Description:		

ADDITIONAL PROPERTY INFORMATION: List information related to any other property you, or any household member owns.

Do you own, or are buying, other property (yes or no)? If yes, complete the information below.		Amount of Income Earned from Other Property:	
Property Address	Name of Owner(s)	Assessed Value	Amount & Date of Last Taxes Paid
		\$	
		\$	

EMPLOYMENT INFORMATION: List your current employment information.

Name of Employer:	Name of Contact Person:
Address of Employer:	Employer Phone Number:

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRA's (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income. Please show proof.

Source of Income	Monthly or Annual Income (indicate which)

CHECKING, SAVINGS AND INVESTMENT INFORMATION: List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments. Please include current statement.

Financial Institution	Amount on Deposit	Current Interest	Name on Account	Value of Investment

LIFE INSURANCE: List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payment	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

MOTOR VEHICLE INFORMATION: All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

LIST ALL PERSONS LIVING IN HOUSEHOLD: All persons residing in the residence must be listed.

First & Last Name	Age	Relationship to Applicant	Place of Employment	Amount of Monetary Contribution to Family Income

PERSONAL DEBT: All personal debt for all household members must be listed. Please show proof.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

MONTHLY EXPENSE INFORMATION: The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary. Please show proof.

Heating:	Electric:	Water:
Phone:	Cable:	Food:
Clothing:	Health Insurance:	Garbage:
Daycare:	Car Expense (gas, repair, etc.):	Other (list type):
Other (list type):	Other (list type):	Other (list type):
Other (list type):	Other (list type):	Other (list type):
Other (list type):	Other (list type):	Other (list type):

Notice: Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

Notice: Per MCL 211.7u(2b), a copy of all household member's federal income tax returns, state income tax returns (MI-1040) and Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application.

Notice: Per MCL 211.7u(2b) applicants must file an affidavit for all persons residing in the residence who are not required to file a federal or state income tax return. An Affidavit is included in this application.

Petitioners: Do not sign this application until witnessed by the Assessor, Board of Review or Notary Public. (Must be signed by either the Assessor, Board of Review Member or Notary Public)

STATE OF MICHIGAN
COUNTY OF _____

I, the undersigned Petitioner, hereby declare that the foregoing information is complete and true and that neither I, nor any household member residing within the principal residency, have money, income or property other than mentioned herein.

Petitioner Signature

Date

Subscribed and sworn this _____ day of _____, 2019

Assessor Signature: _____ Printed Name: _____

BOR Member Signature: _____ Printed Name: _____

Notary Signature: _____ Printed Name: _____

My Commission Expires: _____

This application shall be filed after January 1, but before the day prior to the last day of March, July or December Board of Review to the address below.

City of Ewart-Board of Review
c/o Sarah J. Dvoracek, Assessor
5814 100th Avenue
Ewart, MI 49631
Phone 231-734-2181
Email sarah.dvoracek@evart.org

DECISIONS OF THE MARCH BOARD OF REVIEW MAY BE APPEALED IN WRITING TO THE MICHIGAN TAX TRIBUNAL BY JULY 31 OF THE CURRENT YEAR. JULY OR DECEMBER BOARD OF REVIEW DENIALS MAY BE APPEALED TO MICHIGAN TAX TRIBUNAL WITHIN 30 DAYS OF THE DENIAL. A COPY OF THE BOARD OF REVIEW DECISION MUST BE INCLUDED WITH THE FILING.

Michigan Tax Tribunal

PO BOX 30232

Lansing MI 48909

Phone: 517-373-3003

Fax: 517-373-1633

Email: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date

**POLICY &
GUIDELINES
FOR GRANTING
POVERTY
EXEMPTIONS**

FOR 2019 ONLY

Note: Revised for 2019—Please read carefully

PARCEL #	
NAME	
PHONE	
# IN HOUSEHOLD	
TOTAL HOUSEHOLD INCOME	
TOTAL ASSETS	
TOTAL EXPENSES	

Sarah J. Dvoracek
Interim City
Manager/Treasurer/Assessor
Phone: 231-734-2181
Email: sarah.dvoracek@evart.org

City of Evart
5814 100th Ave
Evart, MI 49631

Return by no later than:
July 16, 2019

<p>Date Stamp Received:</p>
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2019 CITY OF EVART'S POVERTY EXEMPTION POLICY & GUIDELINES

The following policy and guidelines, adopted by the City Council, shall be followed by the City of Evart Board of Review when considering poverty exemptions according to P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL).

Application Guidelines: To be eligible for a Poverty Exemption in the City of Evart;

1. The primary applicant must own and occupy the property as their principle residence for a minimum of three full calendar years and shall satisfy all requirements of P.A. 390 of 1994 (Principle Residential Exemptions) and State Tax Commission Bulletin No. 5 of 1995. Property placed in a trust does not qualify as owned for poverty exemption purposes. All owners and occupants may be required to sign Waivers of Confidentiality, Authorizations to Inspect the Property and permission to interview the applicants and verify the application.
2. All owners must include signed Federal and State Income Tax Returns for the most recent filing period, including supporting schedules, if the applicant is required to file an income tax return. If the applicant did not file Federal or State Tax Return, Michigan Department of Treasury Form 4988 must be filed (INCLUDED IN THIS PACKET).
3. Income and asset information is required for all owners and occupants of the property. Potential income and asset sources are (non-inclusive):

Income from all sources	Interest and dividends
Salaries & wages before deductions	Pensions
Net receipts from self-employment	Supplemental Security Income
Veteran payments	Net rental income
Royalties	Scholarships & grants
Unemployment compensation	Insurance Workers compensation
Retirement accounts	Alimony Child support
General assistance	IRA/Keogh annuities
Social Security	New or reverse mortgages
Cash Stocks & bonds	Checking & savings accounts
Investments	Money market accounts
Gifts	Assets in trust accounts
Deferred compensation	
4. Applicants must meet the Income Test and Asset Test to be eligible to apply to the Board of Review for a partial exemption of the property tax on their principle residence. Applications will be reviewed by the Board of Review in making a determination to grant or deny an exemption and if an exemption is granted, what percentage of the taxable value will be exempted.

Income Test

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.

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

*For families/households with more than 8 persons, add \$4,320 for each additional person.

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.

Asset Test

Eligible applicants will have total assets at or below the asset limit listed below for the claimant and household.

1. Total assets, **excluding the principle residence and personal property located therein and a primary vehicle**, may not have a total value that exceeds:

Asset Limit \$7,500

Evaluation Procedures

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions. The same standards shall apply to each claimant for the assessment year "unless the Board of Review determines there are substantial & compelling reasons why there should be a deviation from the policy and guidelines and the substantial & compelling reasons are communicated in writing to the claimant."
2. Medical and extraordinary hardship situations may be used to qualify applicants who do not otherwise meet the above income and asset tests.
3. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
4. All information is subject to verification. The verification process can be used to determine future ineligibility.
5. The Assessor and Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.

2019 CITY OF EVART POVERTY EXEMPTION GUIDELINES

1. Purpose. The principal residence of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation.
2. Eligibility. To be eligible for the poverty exemption:
 - a. The applicant must be an owner of, and occupy as a principal residence, the property for which the exemption is requested as of the previous December 31;
 - b. Total annual household income shall not exceed the amounts set forth under the Federal poverty guidelines as defined and determined annually by the United States Department of Health and Human Services and
 - c. Total assets, except the homestead being claimed, essential household goods, should not exceed; \$7,500

Assets include, but are not limited to real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, and retirement funds. Assets to not include essential household goods such as furniture, appliances, dishes, and clothing.

The Board of Review will not reduce the value of the assets by the amount of any indebtedness owed on such assets, or any indebtedness otherwise owed by the applicant.

If the applicant meets these eligibility requirements, the applicant will be entitled to a poverty exemption as long as the applicant complies with the remaining requirements and procedures set forth in these guidelines.

3. Application. To apply for the poverty exemption, a person shall do all of the following on an annual basis:
 - (a) File a Poverty Exemption Application with the Assessor or Board of Review. Applicants must obtain the application from the Assessor's Office. Handicapped or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
 - (b) Submit copies of 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, this includes all owners and co-owners as well as all persons residing in the homestead.
 - (c) Produce a valid driver's license or other form of identification.
 - (d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, if such proof of ownership is requested by the Board of Review.

- (e) Provide evidence of other assets including investments, real property, and retirement accounts.
4. Deadline. The application must be submitted after January 1, but before the day prior to the last day of the Board of Review.
5. Appearance before the Board of Review. The applicant, or a representative of the applicant may be required to appear before the Board of Review to respond to any questions that the Board or Assessor may have concerning the exemption application.
- (a) An applicant may be called to appear before the Board on short notice.
 - (b) An applicant may have to answer questions regarding the applicant's financial affairs, health, or the status of people living in the applicant's home before the Board at a meeting that is open to and will be attended by the public.
 - (c) Applicants appearing before the Board may be administered an oath as follows:

"Do you _____ swear and affirm that the evidence and testimony you will give in your own behalf before the Board of Review is the truth, the whole truth, and nothing but the truth, so help you."
 - (d) The Assessor may tape record and will keep minutes of all proceedings before the Board of Review.
 - (e) If called to appear before the Board, physically challenged or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
 - (t) The Board of Review may, in its discretion, review poverty exemption applications without the applicant or the applicant's representative being physically present.
6. Evaluation of Application. Applications for poverty exemptions will be evaluated based on information submitted to the Board of Review by the applicant, testimony taken from the applicant, and information gathered by the Board from any source.
- (a) The Board of Review is not required to grant a poverty exemption for property owned by multiple owners as long as at least one owner is not eligible for the poverty exemption.
 - (b) The Board of Review may conduct an investigation to verify the information submitted or statements made to the Assessor Board of Review regard to the applicant's poverty exemption claim.
 - (c) The Board of Review may not deny a poverty exemption based upon mere speculation regarding the level of an applicant's income or assets.
 - (d) A poverty exemption, if granted, shall remain in effect for one year and an applicant's eligibility for the poverty exemption shall be determined each year.
 - (e) The Board of Review may not determine an applicant's eligibility for the poverty exemption based on the number of years that the applicant has been

granted a poverty exemption in the past, or the number of years that the applicant may be granted a poverty exemption in the future.

(f)

7. Special Circumstances Warranting Application of the Poverty Exemption. The Board of Review may, in its discretion, grant a poverty exemption to a taxpayer who does not meet the income and asset tests contained in these guidelines where one or more of the following has resulted in hardship to the taxpayer:
- (a) Unforeseen prolonged cessation of income due to circumstances beyond the applicant's control;
 - (b) Trauma or critical illness of the applicant or the applicant's immediate family member which resulted in excessive financial liabilities for which the taxpayer does not receive reimbursement;
 - (c) Catastrophic loss; or
 - (d) Other extenuating circumstances which the Assessor and Board of Review agree are legitimate hardships over which the applicant has no control.
8. Deviation from the Guidelines. The Board of Review shall follow these 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 guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

Federal Poverty Guidelines 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

*For families/households with more than 8 persons, add \$4,320 for each additional person.

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.