

Resolution No. 2023-14

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;
and

WHEREAS, the homestead of persons who, in the judgment of the 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 253 of 2020 (MCL 211.7u), and

WHEREAS, pursuant to PA 253, 2020, the Township of Manistee, Manistee 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 in the current or immediately preceding year:

PROCESS:

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

- File a claim with the Board of Review using Form 5737 *Application for MCL 211.7u. Poverty Exemption*. The Application needs to be accompanied by Federal and State Income Tax Returns **for all persons residing in the homestead** or file Form 4988 *Poverty Exemption Affidavit* if you are not required to file a Federal Income Tax Return.
- Produce a valid driver's license or other form of identification if requested.
- Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- The application for an exemption shall be filed after January 1, but before the day prior to the last day of Board of Review.
- Any tax exemption given to an individual under these guidelines shall be for the one (1) year tax and a new application will be required for the next year.
- **The Township Board of Review CANNOT Deviate from the Guidelines listed herein.**
- Must meet the Federal Poverty Standards published annually by the State Tax Commission.
- Must meet the Asset Level Test adopted by the local assessing unit.
- A person claiming the poverty exemption that meets all the requirements of the Guidelines set forth by the Township of Manistee shall be granted an exemption of 100%. An applicant over the income guidelines between 1-5% will qualify for 100% exemption. An applicant over the income guidelines between 6-10% will qualify for a 75% exemption. An applicant over the income guidelines between 11-15% will qualify for a 50% exemption. An applicant over the income guidelines between 16-20% will qualify for a 25% exemption.

ELIGIBILITY:

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

- Be an owner of and occupy as a homestead the property for which an exemption is requested.
- Meet the Federal Poverty Income Standards as published annually by the State Tax Commission.
- 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.
- The guidelines apply to an owner of a Life Estate. If the property is held in a Joint Tenancy with full rights of survivorship, the income of all the people listed in the Joint Tenancy shall be used. 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.
- Anyone living in the household must include their income.

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. 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.

"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. Michigan Homestead Tax Credit cannot be included as income per *Ferron v Walton Twp.* Court of appeals No. 302221.

Total liquid and non-homestead assets along with non-essential personal property shall not exceed 150% of the income listed.

- Liquid assets to be considered include cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks, and other similar type of assets.
- A second home, land, vehicles.
- Recreational vehicles such as campers, motor-homes, boats and ATV's.
- Buildings other than residence.
- Jewelry, antiques, artwork.
- Equipment, other personal property of value.
- Bank Accounts over \$10.00, stocks.
- Money received from the sale of property, such as stocks, bonds, a house or car, unless a person is in the specific business of selling such property.
- Withdrawals of bank deposits and borrowed money.
- Gifts, loans, lump-sum inheritances and one-time insurance payments.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps and school lunches.

State Tax Commission Poverty Guidelines Bulletin 18 of 2023

Size of Family Unit	Poverty Guidelines
1	\$14,580
2	\$19,720
3	\$24,860
4	\$30,000
5	\$35,140
6	\$40,280
7	\$45,420
8	\$50,560
For each additional person	\$5,140

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 Board Member Jankwietz and support by Board Member Dontz.

In a Roll Call, the following voted:

Aye: Dontz, Finout, Jankwietz, Taylor, Bjorkquist

Nay: None

Absent: None

The Supervisor declared the resolution adopted.

CERTIFICATION

I, the undersigned and duly elected Clerk of the Township of Manistee, Manistee County, Michigan, (the "Township") do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township at a regular meeting held on December 14, 2023 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.

*/s/ Dianne Taylor*_____

Dianne Taylor, Clerk
Township of Manistee