

ONOTA TOWNSHIP
RESOLUTION TO ADOPT POVERTY EXEMPTION
INCOME GUIDELINES AND ASSET TEST

WHEREAS, 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 Section 7u of the General Property Tax Act, Public Act 206 of 1893 (MCL 211.7u), to adopt guidelines for poverty exemptions;

THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that Onota Township, Alger County, adopts the following guidelines for the supervisor and 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. The Board of Review may request from the applicant any supporting documents, which may be utilized in determining a poverty exemption request. The Board of Review may administer an oath wherein the applicant testifies as to the accuracy of the information provided.

The completed poverty exemption application must be filed after January 1, but before the day prior to the last day of the Board of Review in the year for which exemption is sought. The Board of Review may deviate from the established policy and guidelines only for substantial and compelling reasons. The applicant will be notified, in writing, the reasons for deviating from the policy and guidelines for poverty exemption.

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 for which an exemption is requested.
- 2) May not have ownership interest in any other real estate other than the principal residence.
- 3) Total acreage area of the principal residence parcel may not exceed 80 acres.
- 4) May not have ownership in more than two (2) motorized/licensed vehicles and value of these vehicles must not exceed \$20,000 total.
- 5) File a claim with the supervisor or 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.
- 6) Produce a valid drivers' license or other form of identification if requested.
- 7) If requested, produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 8) Meet the federal poverty income guidelines as defined and determined annually by the United States Office of Management and Budget.

9) Applicant's asset level, excluding the principal residence, may not exceed \$100,000.

BE IT ALSO RESOLVED that the Board of Review shall follow the above stated policy and federal 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 policy and federal guidelines and these are communicated in writing to the claimant.

RESOLVED BY: Catherine Kimar

SUPPORTED BY: Brian Bresette

ROLL CALL VOTE:

AYES: Terry Pihlainen, Brian Bresette,
Susan Kerst, Connie Lacko, Catherine Kimar

NAYS: none

ABSENT: none

ADOPTION DATE: January 2, 2017

CERTIFICATION OF THE CLERK

The undersigned, being the duly qualified and acting Clerk of Onota Township, Alger County, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution adopted by the Township Board at a regular meeting at which a quorum was present and remained throughout; (2) the original thereof is on file in the records in office; (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (PA 267 of 1976, as amended) and (4) minutes of such meeting were kept and will be made available as required thereby.

Catherine Kimar
Onota Township Clerk
Resolution #2017-02

ADDENDUM: 2017 FEDERAL GUIDELINES FOR DETERMINATION OF POVERTY EXEMPTION

Size of Family Unit	Poverty Guidelines
1	\$11,880
2	\$16,020
3	\$20,160
4	\$24,300
5	\$28,440
6	\$32,580
7	\$36,730
8	\$40,890
<i>*For each additional person, add as listed in Federal Guidelines</i>	

Note: PA 140 of 2003 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

The following assets shall not be considered when applying an asset test to determine qualification for tax exemption.

1. 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 (2) years from appeal date.

2. The value of all personal property, such as furniture and clothing.

Notwithstanding the value of property listed above, in order to be considered for tax exemption under MCL 211.7u, the value of all assets shall not exceed five (5) times the annual household income of the applicant.

All asset information, as requested in the Poverty Exemption Application must be completed in full. The Board of Review may request additional information and verification of assets if they determine it is necessary. The Board of Review may reject any application if assets are not properly identified.