

**POLICY FOR GRANTING POVERTY EXEMPTIONS ADOPTED BY
RESOLUTION # 02-03-2021C**

**Revised as changes to Public Act 253 of 2020
Poverty Exemption Statute (MCL 211.7u)**

MCL 211.7u, as amended, provides that:

- (1) The principle residence of persons who, in the judgement of the Board of Review, by reason of hardship, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this (General Property Tax) act.

The following policy has been adopted by the Denton Township Board to govern the granting of poverty exemptions:

APPLICATION PROCEDURE

1. Eligibility and Application: To be eligible for a poverty exemption the applicant must be the taxpayer. Applicant cannot be a corporation, trust or other business association or entity. Applicant must do all of the following on an annual basis:
 - A. Be an owner of and occupy as a principle residence of the property for which an exemption is requested. "Principle Residence," means principle residence or qualified agricultural property as those terms are defined in MCL 211.7dd.
 - B. File with the Township Assessor a completed Poverty Exemption Application on a form provided by the Township Assessors office. This MUST be accompanied by Federal and State Income Tax Returns for all persons residing in the residence, including any property tax credit returns, filed in the immediately preceding year and the current year.
 - C. Produce a valid driver's license or other acceptable form of identification if requested by the Assessor or the Board of Review.
 - D. Produce a deed, land contact or other evidence of ownership of the property for which an exemption is requested if required by the Assessor or Board of Review.

2. **Filing Period & Appearance:** Fully completed Poverty Exemption Applications with required supporting documentation will be accepted after January 1, through the Tuesday after the second Monday of December (December Board of Review meeting). The filing of a completed Poverty Exemption Application with supporting documentation shall constitute an appearance before the Board of Review for the purposes of preserving the applicant's right to appeal the decision of the Board of Review to the Michigan Tax Tribunal.

EVALUATION PROCEDURE

1. **Meetings:** Meetings of the Board of Review and Assessor relative to the Poverty Exemption Applications shall be held in compliance with the Michigan Open Meetings Act.
2. **Applicants Presence:** The Board of Review may request an applicant to personally appear before the Board of Review to respond to any questions the Board of Review or Assessor may have.
3. **Investigation:** Applicants for the Poverty Exemption may be investigated by the Township in order to verify information submitted or statements made to the Board of Review or Assessor.
4. **Oath:** Applicants appearing before the Board of Review shall be administered an oath, as follows:

Do you swear or affirm that information and testimony you give before the Board of Review is the truth, the whole truth and nothing but the truth.

5. **Criteria for Determining Exemption:** The Board of Review shall consider the following three (3) criteria to determine whether a full Poverty Exemption should be granted:
 - A. **Income-** The total income of the applicant and each member of the applicant's household shall not exceed the Federal Poverty Income Standards, as defined and determined annually by the U.S. Department of Health and Human Services. Income shall include but not be limited to the following:
 - a. Money wages and salaries before any deductions.
 - b. Net receipts from self-employment.

- c. Distributions or income from partnerships, Limited Liability companies or corporations whether or not taxable.
- d. Tax exempt income received including, but not limited to, interest income, disability income, social security or SSI.
- e. Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers compensation, veteran's payments or any type of public assistance.
- f. Alimony, child support and military allotments or other regular support from an absent family member for persons not living in the household. For example, periodic gifts to assist the applicant or applicant's household shall be included in income.
- g. Private pensions, government employee pensions (including military retirement pay), regular insurance or annuity payments.
- h. College or university scholarships, grants or fellowships.
- i. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, net lottery winnings and net gambling winnings.
- j. Payments made to a third party to or for a benefit of the applicant or a member of the applicants household.

1. Income shall not include any of the following:

- a. Money received from the sale of property, such as stocks, bonds, house, car, unless the applicant or member of the applicant's household is in the business of selling such property.
- b. Withdrawals of bank deposits.
- c. Borrowed monies.
- d. Income tax refunds.
- e. One time payouts from insurance companies.
- f. Losses including, but not limited to, capital losses or business losses.
- g. Gifts or inheritances, unless the purpose of such gift and/or inheritance, as determined by the Board of Review, is to assist in the support of the applicant or the applicants household.

B. Assets: An exemption shall not be granted for any household whose members have a total net worth in excess of \$7,500 excluding the principle residence. The assets of each member of the applicant's household shall be examined to determine whether there are assets which can reasonably be invested, sold, or used to pay the property taxes. If the assets of a nature and value which reasonably indicates that a condition of hardship does not exist, then a Poverty Exemption shall be denied.

1. Gifts, inheritances, one-time payouts from insurance companies, income tax refunds and money received from the sale of a property, such as stocks, bonds, house, car (unless the applicant or a member of the applicants household is in the business of selling such property), shall be included as assets of the applicant and/or members of the applicants household.

C. Contribution From Other Sources: If the Board of Review determines the applicant does or reasonably should receive contribution toward taxes from other sources, such as from a trust, inheritance, co-owner, relative, dependent, friend or other source, the Board of Review may consider the amount of such contribution as an addition to the applicants income and if the resulting sum exceeds the Income Standard in paragraph A, above, then a Poverty Exemption shall be denied.

6. Granting of Exemption: If the Board of Review determines that an applicant:

A. Does not have income in excess of the total income allowed under paragraph 5(A).

B. Does not have assets which can reasonably be invested, sold or used to the property taxes under paragraph 5(B).

C. Does not receive or reasonably expect to receive contribution toward taxes from other sources under paragraph 5 (C).

Then, the Board of Review may grant a full exemption. No partial exemptions shall be granted.

The foregoing policy offered by Township Board Member Pedersen
And supported by Township Board Member Asher

Upon roll call vote, the following voted "Aye:" 4 "Nay:" 0

I, Carol A Asher, the duly elected and acting Clerk of Denton Township, hereby certify that the foregoing policy was adopted by the Township Board of said Township at the regular meeting of said board held on 2-3, 2021, at which meeting quorum was present by a roll call vote of said members as hereinbefore set forth; that said policy was ordered to take immediate effect.

Clerk Carol A Asher

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**Regular Meeting
Denton Township Board
February 3, 2021**

Meeting called to order at 7:00 p.m. by telephone remote.

Present: Spaulding, Asher, Fuller and Pedersen.

Absent: Seaford.

The Treasurer's report was received.

Motion by Fuller supported by Pedersen to approve the minutes of the January 6, 2021 Regular Meeting and the January 13, 2021 and the January 22, 2021 Special Meetings as distributed.

In order to ease the burden on taxpayers, the Assessor, and the Board of Review, and to ensure that all taxpayers have an equal opportunity to be heard by the Board of Review, the Township of Denton, hereby resolves, according to provisions of MCL 211.30(8) of the General Property Tax Act, that the Board of Review shall receive letters, e-mails and phone calls of protest regarding assessments from **residents and non-resident taxpayers** from the first Tuesday in March until it adjourns from the Public Hearings for which it meets to hear such protests. Also, all notices of assessment change and all advertisements of Board of Review meetings are to include a statement that the resident and non-resident taxpayers may protest by letter, e-mail or phone to the Board.

Fuller – aye, Asher – aye, Spaulding – aye, Pedersen – aye, Seaford – absent, Motion Carried.

Taxpayer Accessibility to Assessor's Office. Resolution 02-03-2021B

Motion by Asher supported by Pedersen to approve the following "Taxpayer Accessibility to Assessor's Office"

Resolution #02-03-2021B: A Resolution to advise taxpayers on how to contact the Township Assessor or Assistant Assessor, the estimated response time for an inquiry and how to arrange for a meeting or request record cards. The Policy and Procedure will be advertised in the Houghton Lake Resorter as well as being available on the Township website.

Spaulding – aye, Fuller - aye, Pedersen – aye, Asher – aye, Seaford – absent, Motion Carried.

Minor Change to Poverty Exemptions-PA 253 of 2020.

Motion by Pedersen supported by Fuller to approve the amendment required by Public Act 253 of 2020-MCL 211.7u Poverty Exemption. Annual allowable income following federal guidelines were approved by the Denton Township Board on November 4, 2020.

Asher – aye, Spaulding – aye, Pedersen – aye, Fuller – aye, Seaford – absent, Motion Carried.

Minor Changes to Policy Granting Poverty Exemptions. Resolution 02-03-2021C

Motion by Fuller supported by Spaulding to approve "The Policy for Granting Poverty Exemptions" Resolution #02-03-2021C. Again due to Public Act 253 of 2020 which was signed into law on December 23, 2020, the Act made several changes as follows: Removes the word "Supervisor" from statute, clarifies that the federal income levels used are those adopted in the prior tax year, requires the local unit to make the policy, guidelines and application available on the Township website, removes the ability for Board of review to deviate from the adopted policy/guidelines for "substantial and compelling reasons" and if the person meets all eligibility requirements in statute, be granted a full exemption equal to 100%.

Pedersen – aye, Asher – aye, Spaulding – aye, Fuller - aye, Seaford – absent, Motion Carried.