

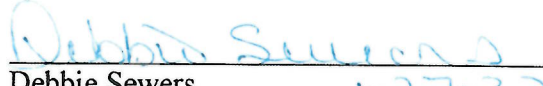
**RESOLUTION 01-22R**

**2022 POVERTY GUIDELINES RESOLUTION  
TOWNSHIP OF DORR TOWNSHIP OFFICE**


- 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 in part from property taxation under Public Act 390, 1994 (MCL 211.7a); and
- WHEREAS, pursuant to PA 390, 1994, the Township of Dorr, Allegan County, adopts the following guidelines for the Assessor 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, filed in the current or immediately preceding year; and
- WHEREAS, changes to these guidelines may be made by the Township of Dorr.

NOW, THEREFORE, BE IT HEREBY RESOLVED, THAT THE Assessor and Board of Review shall follow the below stated guidelines 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 those are communicated in writing to the claimant.

Adopted by the Dorr Township Board on January 27<sup>th</sup>, 2022.

  
Debbie Sewers  
Dorr Township Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Township Board of Dorr Township, County of Allegan, Michigan, at a regular meeting held on January 27th, 2022.

  
Debbie Sewers  
Dorr Township Clerk

## TOWNSHIP OF DORR 2022 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;
  - 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 published annually by the Michigan State Tax Commission; and
  - c. Total assets, except the principal residence being claimed, essential household goods, and the first \$5,000 of the market value of a motor vehicle, should not exceed;
    - (i) \$4,000 for the claimant;
    - (ii) \$6,000 for the household.

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 do 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 the following on an annual basis:
  - (a) File a Hardship 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, filed in the immediately preceding year or in the current year. An

applicant not required to file federal and state income tax returns must submit a Poverty Exemption Affidavit, on a form prescribed by the State Tax Commission.

- (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, will 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.”
  - (d) The Assessor may audio 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.
  - (f) 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 regarding 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.

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. Amount of Exemption. The Board of Review shall follow these guidelines in granting or denying a poverty exemption. If the Board of Review determines that a person claiming a poverty exemption qualifies under the eligibility requirements of these guidelines, 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% reduction in taxable value for the tax year in which the exemption is granted.
- (ii) A 25% reduction in taxable value for the tax year in which the exemption is granted.

The Board of Review shall not grant an exemption in any other amount under these guidelines unless the Township has received approval from the State Tax Commission to grant exemptions in any other percentage reduction, and which shall be applied in a form and manner prescribed by the State Tax Commission.

The following table depicts the taxable value reduction granted to the eligible applicant for 2022 poverty exemptions:

<b>Household Size</b>	<b>Income (Federal limit)</b>	<b>100% Taxable Value exemption</b>	<b>50% Taxable Value exemption</b>	<b>25% Taxable Value exemption</b>
<b>1</b>	<b>\$12,880</b>	\$0 to \$6,440	\$6,441 to \$9,659	\$9,660 to \$12,880
<b>2</b>	<b>\$17,420</b>	\$0 to \$8,710	\$8,711 to \$13,064	\$13,065 to \$17,420
<b>3</b>	<b>\$21,960</b>	\$0 to \$10,980	\$10,981 to \$16,469	\$16,470 to \$21,960
<b>4</b>	<b>\$26,500</b>	\$0 to \$13,250	\$13,251 to \$19,874	\$19,875 to \$26,500
<b>5</b>	<b>\$31,040</b>	\$0 to \$15,520	\$15,521 to \$23,279	\$23,280 to \$31,040
<b>6</b>	<b>\$35,580</b>	\$0 to \$17,790	\$17,791 to \$26,369	\$26,370 to \$35,580
<b>7</b>	<b>\$40,120</b>	\$0 to \$20,060	\$20,061 to \$30,089	\$30,090 to \$40,120
<b>8</b>	<b>\$44,660</b>	\$0 to \$22,330	\$22,331 to \$33,494	\$33,495 to \$44,660

*additional \$4,540  
person*

*Income greater than what is stated above, per household size, will result in a denial of the poverty exemption.*

## FEDERAL POVERTY GUIDELINES USED IN THE DETERMINATION OF POVERTY EXEMPTIONS FOR 2022

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 and PA 253 of 2020.

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 \$21,960 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 \$21,960.

Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2022 assessments. (From Section (B) of Bulletin 17 of November 16, 2021 (Federal Poverty Guidelines Used in the Determination of Poverty Exemptions for 2022))<sup>1</sup>.

<sup>1</sup> A copy of State Tax Commission Bulletin 17 of 2021 can be found by visiting: [https://www.michigan.gov/documents/treasury/Bulletin\\_17\\_of\\_2021\\_-\\_Procedural\\_Changes\\_for\\_2022\\_741497\\_7.pdf](https://www.michigan.gov/documents/treasury/Bulletin_17_of_2021_-_Procedural_Changes_for_2022_741497_7.pdf).

Size of Family Unit	Poverty Guidelines
1	\$ 12,880
2	\$ 17,420
3	\$ 21,960
4	\$ 26,500
5	\$ 31,040
6	\$ 35,580
7	\$ 40,120
8	\$ 44,660
<b>For each additional person*</b>	<b>\$ 4,540</b>

\*For families/households with more than 8 persons, add \$4,540 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. Please see STC Bulletin 3 of 2021 for more information on poverty exemptions.

**Note:** PA 135 of 2012 changed the requirements for filing documentation in support of a poverty exemption to allow an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.

## **Cover Page 1-27-22 Agenda # 13B**

**Topic:** 2022 Poverty exemption

**Presenter:** Jeff Miling

**Items included:** Poverty Resolution 01-22R

**Purpose:** Poverty exemption

**Suggested Motion:** \_\_\_\_\_ moved and \_\_\_\_\_ 2<sup>nd</sup> to approve and authorize the Clerk to sign Resolution 01-22R (2022 Poverty guidelines exemption).

☐ Roll Call

Motion: Carried Failed Postponed

YES: \_\_\_\_\_, Miling – Sewers – \_\_\_\_\_ – Champion – Stanton – Tuinstra – Weber

NO: \_\_\_\_\_, Miling – Sewers – \_\_\_\_\_ – Champion – Stanton – Tuinstra – Weber