



Property Taxation Poverty Exemption Guidelines and Asset Test

I. GENERAL OVERVIEW

The Board of Review of East Bay Charter Township recognizes the need to have a procedure by which residents in need of assistance under MCL 211.7u can make an application for property tax relief. The Board of Review further recognizes that, pursuant to statute, as well as case law, they must adopt guidelines, approved by the Board of Trustees, to be used as standards when considering appeals made based on financial hardship. The Board of Review understands these guidelines must be adhered to when reviewing hardship appeals. Any form submitted that is inaccurate or not fully completed will result in a denial of the appeal. All information in the form is subject to verification from the Board of Review or the Assessing Department.

II. BASIC FILING REQUIREMENTS

In order to be considered for exemption under MCL 211.7u each applicant must:

- A. Own and occupy the property as their principal residence for which the requested exemption is being made. This may include vacant, contiguous property as long as it is considered part of the principal homestead.
- B. Complete and submit a Poverty Exemption Application on a form designated and supplied by the Township Assessing Department, returned to the Township Supervisor/Assessing Department or Board of Review.
- C. Submit income verification as required. This must include current Federal and State Income Tax Returns, State Homestead Property Tax Credit Forms, or any additional information requested by the Board of Review or the Assessing Department.

III. PROCESSING APPLICATIONS

Once a Poverty Exemption Application is completed and returned to the Assessors Office, it will be reviewed by the assessing staff. The assessing staff will complete and attach a hardship worksheet to each application. The worksheet will summarize the application and provide the Board of Review with income of the applicant, an estimated tax amount for the property, a summary of the estimated Homestead Property Tax Credit for the property and the estimated net property tax liability to the homeowner.

After the above referenced information is compiled, the entire packet will be submitted to the Board of Review to be considered for tax relief. The Board of Review, in making their decision, may request additional data. The Board of Review shall also reject any application where the information contained in it appears fraudulent, misleading or incomplete.

IV. INCOME GUIDELINES

The income guidelines used by the Board of Review have been established in accordance with P.A. 390 of 1994 and shall be adhered to. In determining qualifications for tax exemption, the Board of Review shall consider every variable on the application, including total household income, the nature and duration of the income stream, the state equalized value of the subject property, the quality and accuracy of the information submitted and any other such evidence as they feel appropriate in making their decision. The poverty income level guideline in East Bay Charter Township is \$3,000 higher in each household size than the Federal Poverty Income Guideline. This annual data is Attachment A to this document and updated annually.

V. ASSET GUIDELINES

As required by P.A. 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit shall also include an asset level test. The value of all personal property, such as furniture, clothing, etc., shall not be considered when applying an asset test to determine qualifications for tax exemption.

In order to be considered for tax exemption under MCL 211.7u, the value of all assets of the applicant shall not exceed three times the annual household income of the applicant.

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

VI. Summary

In conclusion, the Board of Review has been given exclusive statutory jurisdiction over granting of property tax relief due to financial hardship. The Board of Trustees and the Board of Review for East Bay Township take this task seriously. The Board of Review may deny any appeal, regardless of income, if the financial hardship appears to be self created by the actions of the person or persons making the application. The Board of Review reserves the right to modify these guidelines as necessary in as much as the established income guideline in Section IV and asset guideline in Section V are not altered.

Property Taxation Poverty Exemption Guidelines

Attachment A Federal and Township Poverty Income Guidelines

PERSONS IN FAMILY/HOUSEHOLD	2017 FEDERAL POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES*	EAST BAY CHARTER TOWNSHIP POVERTY GUIDELINE
1	\$12,060	\$15,060
2	\$16,240	\$19,240
3	\$20,420	\$23,420
4	\$24,600	\$27,600
5	\$28,780	\$31,780
6	\$32,960	\$35,960
7	\$37,140	\$40,140
8	\$41,320	\$44,320
For families/households with more than 8 persons, add \$4,180 for each additional person.	East Bay Charter Township Poverty Guideline is \$3,000 more than the Federal Guideline as defined in the Township's Property Taxation Poverty Exemption Guidelines and associated resolution.	

* The Federal Poverty Guidelines are updated periodically, typically in January of every year, in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). This document, Attachment A of the Property Taxation Poverty Exemption Guidelines, Revised December 11, 2017, will be updated annually.