

## 2019 POVERTY EXEMPTION APPLICATION INSTRUCTIONS

### THIS APPLICATION SHOULD BE RETURNED TO:

City of Davison, 200 E. Flint Street, Suite 2, Davison, Michigan 48423

#### 2019 City of Davison

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#### **To be considered for a poverty exemption, a person shall do the following on an annual basis:**

1. The Petitioners must complete the application in full, including signatures on page 4 and those signatures must be notarized. Return the application and attachments to City Hall at least 5 days prior to the beginning of the Board of Review if applicant will not be in attendance. If this is your first application for a poverty exemption, you must appear at the Board of Review and bring your completed application.
2. Be an owner of and occupy as a principal residence the property for which an exemption is requested.
3. Attach signed copies of the following for all persons living in the household and all owners of the residence:
  - a.      **2018 FEDERAL INCOME TAX RETURN (1040)**
  - b.      **2018 W 2's & 1099's.**
  - c.      **2018 MICHIGAN INCOME TAX RETURN (MI-1040)**
  - d.      **2018 HOMESTEAD PROPERTY TAX CREDIT FORM (MI-1040CR)**
  - e.      **2018 SOCIAL SECURITY BENEFIT STATEMENT (SSA-1099)**
  - f.      **YEAR END STATEMENTS FOR ASSET INFORMATION**
4. File a claim reporting that the combined assets of all persons do not exceed the current guidelines. Assets include but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, gambling winnings etc.
  - Cash assets for the total household may not exceed 10% of the federal poverty guideline for each family size.
  - Non-cash assets for the total household may not exceed \$5,000. The following assets are excluded from this limit:
    - Applicant's homestead property.
    - Applicant's household personal property, such as furniture and clothing.
    - One vehicle used for personal transportation and one additional vehicle for each gainfully employed person in the household.
    - May not have ownership interest in any real estate other than the applicant's homestead.
5. Produce a valid driver's license or other form of identification if requested.
6. Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
7. Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
8. If applicant is eligible for the exemption, all special assessments will still need to be paid.

9. The application for an exemption shall be filed after January 1, but one day prior to the last day of the Board of Review. The filing of this claim constitutes an appearance before the Board of Review for the purpose of preserving the right of appeal to the Michigan Tax Tribunal.

**If your application does not include copies of the above documents or if your signature is not notarized, it will be considered incomplete and therefore ineligible for a Poverty Exemption.**

Poverty Exemption as defined by the Michigan Compiled Laws is as follows:

Section 211.7u: The homestead of persons who, in the judgment of the assessor and 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 under this act.

Please be aware that as an applicant for Poverty Exemption, you must also comply with the following sections of the Michigan Compiled Laws:

Section 211.116 Perjury: Any person, who, under any of the proceedings required or permitted by this act, shall willfully swear falsely, will be guilty of perjury and subject to its penalties.

The City of Davison is not responsible for completing your application.

If received timely, your application will be presented at the next scheduled Board of Review.

The Board of Review schedule for 2018 is as follows:

March: Begins on Monday, March 5, 2019

July: Tuesday, July 16, 2019

December: Tuesday, December 9, 2019

If you have any questions, feel free to contact the Assessor at (810) 653-2191.

### **INCOME & ASSET GUIDELINES FOR POVERTY EXEMPTIONS**

If your income exceeds the amounts shown **or** your assets exceed the amounts shown, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from this policy and guidelines, you are NOT eligible for a Poverty Exemption.

<b>Number of Persons Residing in the Principal Residence</b>	<b>Allowable Income</b>
1	\$ 12,140
2	\$ 16,460
3	\$ 20,780
4	\$ 25,100
5	\$ 29,420
6	\$ 33,740
7	\$ 38,060
8	\$ 42,380
For each additional person	\$ 4,320

When determining any poverty exemption, all assets of the family unit, as well as all available sources of income or funds shall be considered.

**GUIDELINES BY WHICH  
POVERTY EXEMPTIONS ARE DETERMINED**

1. Completed application form and all required documents and attachments **MUST** be filed with the City Assessor's Office no later than:

February 28, 2019 for action by the March Board of Review; or

July 11, 2019 for action by the July Board of Review; or

December 4, 2019 for action by the December Board of Review.

If this is your first filing of a poverty exemption you must bring the completed application and appear before the Board of Review.

Sign the form when you return it to the City Assessor's Office. It **MUST** be notarized **AND** witnessed by the Assessor, a Board of Review member or a member of the City Assessor's staff.

**NOTE:** The filing of a claim constitutes an appearance before the Board of Review. Also, the dates for filing will be updated annually in accordance with the State of Michigan Property Tax Calendar.

2. The Board of Review determines if Income Standards have been met.
  
3. The Board of Review determines if Asset limits have been met.
  - a. Cash assets to the total household may not exceed 10% of the federal poverty guideline for each family size. Cash assets are defined as cash, money held in checking or savings accounts, money markets and other financial institution accounts, and/or instruments or securities which can be readily converted to cash.
  
  - b. Non-cash assets for the total household may not exceed \$5,000. Non-cash assets are defined as those which are not considered to be cash assets, as defined above. The following assets are excluded from this limit:
    1. Applicant's homestead
    2. Applicant's household personal property
    3. Assets not accessible by the applicant, co-owner or any member of the applicant's household.
    4. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner and all members of the household. Any attempt to hide and/or shift assets to another person, business or corporation shall be grounds for denial.

4. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax credits and Home Heating credits.
5. Applications must be filed every year. If granted, the exemption is for one year only.
6. All applications will be reviewed by the Board of Review. The Board may ask applicants, or their authorized agents, to be physically present to answer questions. Teleconferencing for the purpose of asking questions of the applicant is allowable if the applicant is not able to attend.
7. Applicants, or their authorized agents, may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in the principal residence at a meeting that is open to the public.
8. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
9. The Board of Review shall follow the policy and guidelines established herein when granting or denying an exemption.
10. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons which are to be communicated, in writing, to the applicant. Compelling reasons include, but are not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons.
11. Applicants may be subject to investigation of their entire financial and property records by the City. This would be done to verify information given or statements made to the Board of Review or assessor in regards to the poverty tax claim.
12. Household income limits are adjusted each year to comply with the Federal Poverty Guidelines.
13. Applicants will be sent a written notice of the Board of Review's final decision. An applicant may appeal the Board of Review's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board of Review's decision. Appeals must be filed with the Michigan Tax Tribunal by the following dates:

July 31<sup>st</sup> for decision made by the March Board of Review,

35 days from the decision of the July or December Board of Review

# THE GENERAL PROPERTY TAX ACT (EXCERPT)

Act 206 of 1893

## **211.7u Principal residence of persons in poverty; exemption from taxation; applicability of section to property of corporation; eligibility for exemption; application; policy and guidelines to be used by local assessing unit; duties of board of review; appeal of property assessment; “principal residence” defined.**

Sec. 7u. (1) The principal residence of persons who, in the judgment of the supervisor and 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 under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall do all of the following on an annual basis:

(a) Be an owner of and occupy as a principal residence the property for which an exemption is requested.

(b) File a claim with the supervisor or board of review on a form provided by the local assessing unit, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant’s right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver’s license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services under authority of section 673 of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for exemption under this section shall be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines the local assessing unit uses for the granting of exemptions under this section. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section unless the board of review determines there is substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

(6) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(7) As used in the section, “principal residence” means principal residence or qualified agricultural property as those terms are defined in section 7dd.

**History:** Add. 1980, Act 142, Imd. Eff. June 2, 1980; -- Am. 1993, Act 313, Eff. Mar. 15, 1994; -- Am. 1994, Act 390, Imd. Eff. Dec. 29, 1994; -- Am. 2002, Act 620, Imd. Eff. Dec. 23, 2002; -- Am. 2003, Act 140, Eff. Jan 1, 2004.

**Popular name:** Act 206