2024-01

Township Board Resolution Adopting Poverty Exemption Income Guidelines and Asset Test

WHEREAS, the Inverness Township Board is required by MCL 211.7u to adopt guidelines for poverty exemptions;

WHEREAS, the General Property Tax Act, MCL 211.7u, states that the homestead of persons who, in the judgment of the Township Assessor 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

NOW, THEREFORE, BE IT HEREBY RESOLVED, that pursuant to MCL 211.7u, Inverness Township, Cheboygan County, adopts the following guidelines for the Township 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, including any property tax credit returns, filed in the current or immediately preceding year.

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

1) Own and occupy as a principal residence the property for which an exemption is requested.

2) File a claim with the Township Assessor or Board of Review, 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 or a signed State Tax Commission form 4988, Poverty Exemption Affidavit.

3) 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, etc.

4) Produce a valid driver license or other form of identification if requested by the Supervisor or Board of Review.

5) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the Township Assessor or Board of Review.

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6) Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services, or alternate guidelines adopted by the governing body providing the alternate guidelines do not provide eligibility requirements less than the federal guidelines.

7) Meet the asset level policy. The asset level of the applicant shall not exceed $125,000.00 which shall exclude the value of the principal residence. In calculating the asset level of an applicant, the value of the following shall be included:

1. A second home;
2. Two or more vehicles;
3. Recreational vehicles (campers, motor homes, ATVs and boats);
4. Jewelry, antiques and artwork;
5. Bank accounts, Certificates of Deposit;
6. Cash on Hand;
7. Inheritances;
8. Buildings other than principal residence;
9. Vacant land;
10. Food or housing received in lieu of wages; and
11. Personal property of the applicant.

8) The application for an exemption shall be filed after January 1, but one day prior to the last day of the December 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.

BE IT FURTHER RESOLVED that the federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services will be adopted annually and includes the annual allowable income for all persons residing in the principal residence.

BE IT FURTHER RESOLVED that the Inverness Township maximum asset level test shall not exceed $125,000.00 excluding the value of the principal residence.

BE IT FURTHER RESOLVED that, pursuant to MCL 211.7u(5), if a person claiming the poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted.

2. A partial exemption equal to one (1) of the following:

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A. A 50% or 25% reduction in taxable value for the year in which the exemption is granted.

B. As approved by the Michigan State Tax Commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the Michigan State Tax Commission.

BE IT FURTHER RESOLVED, that pursuant to MCL 211.7u(6) that Inverness Township hereby permits a principal residence granted poverty exemption from the collection of taxes in tax year 2019 or 2020, or both, to remain exempt in tax years 2021, 2022, and 2023 without subsequent re-application for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption, and permit a principal residence granted a poverty exemption for the first time from the collection of taxes in tax year 2021, 2022, or 2023 to remain exempt for up to 3 additional years after its initial year of exempt status without subsequent re-application for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption, if the person who establishes initial eligibility receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.

BE IT FURTHER RESOLVED, that Inverness Township requires the following from a person who obtains an extended exemption:

1. That the person shall file with the local assessing unit, in a form and manner prescribed by the Michigan State Tax Commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following occur, if applicable:

    (i) The person ceases to own or occupy the principal residence for which the exemption was extended.

    (ii) The person experiences a change in household assets or income that defeats eligibility for the exemption.

2. That if the person fails to file a rescission as required herein and the property is later determined to be ineligible for the exemption, the person is subject to repayment of any additional taxes with interest.

BE IT FURTHER RESOLVED that both the Township Assessor and the Board of Review shall follow the above stated policy and federal income guidelines in granting or denying an exemption and that said Resolution shall take immediate effect.

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The foregoing resolution offered by Board Member Schramm
and supported by Board Member Beebe.

Upon roll call vote, the following voted "Aye:" **RODNEY LaHAIE**, **JENNIFER BEEBE**, **LAURIE MERCHANT**, **GREGORY J. ELLIOTT** and **BERNARD SCHRAMM**

Upon roll call vote, the following voted "Nay": None

The following were absent: None

The Supervisor declared the resolution adopted.

Jennifer Beebe
JENNIFER BEEBE
Inverness Township Clerk

CERTIFICATE OF CLERK

The undersigned Clerk of the Township of Inverness hereby certifies that the foregoing constitutes a true and complete copy of an excerpt of the minutes of a regular meeting of the township board of the Township of Inverness, Cheboygan County, Michigan, held on February 6, 2024, at which meeting five (5) members of the township board were present and voted as indicated in said minutes; and that said meeting was held in accordance with the Open Meetings Act of the State of Michigan.

February 6, 2024

Jennifer Beebe
JENNIFER BEEBE
Inverness Township Clerk

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