

POVERTY GUIDELINES RESOLUTION
CITY OF EAST GRAND RAPIDS

- WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the City Commission; 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 211.7u); and
- WHEREAS, pursuant to PA 390, 1994, the City of East Grand Rapids, Kent 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, including any property credit returns, filed in the current or immediately preceding year; and
- WHEREAS, changes to these guidelines may be made by the City of East Grand Rapids City Commission.

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 these are communicated in writing to the claimant.

Adopted by the
East Grand Rapids City Commission
on November 19, 2007


Karen K. Brower, City Clerk

CITY OF EAST GRAND RAPIDS 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 Office of Management and Budget; and
- (c) Total assets, except the homestead 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 of 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, including any property tax credit returns, filed in the immediately preceding year or in the current year.
- (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, so help you."

- (d) The Assessor may tape 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 or Board of Review in regard to 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 Assessor will determine the estimated property tax liability for the applicable tax year and the estimated state homestead credit for each applicant under the Homestead Property Tax Credit, Public Act 281 of 1967. The poverty exemption shall not exceed the amount of the tax liability minus the homestead credit refund.

9. Deviation from the Guidelines. The Board of Review shall follow these 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 guidelines and the substantial and compelling reasons are communicated in writing to the claimant.