

RESOLUTION # 2023-17

RESOLUTION ESTABLISHING POVERTY GUIDELINES FOR EXEMPTION FROM PROPERTY TAX CONTRIBUTIONS FOR 2023

WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the City Council; and

WHEREAS, the principal residence of persons who, in the judgement 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 taxation under Public Act 390 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, the City of Reed City, Osceola County adopts the following guidelines for the 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, a person shall do all of the following on an annual basis:

- 1) Be an owner of and occupy as a principal residence the property for which an exemption is requested.
- 2) File a claim with the assessor or Board of Review using Form 5753 Application for MCL 211.7u. Form needs to be accompanied by federal and state income tax returns for all persons residing in the principal residence or file form 4988 Poverty Exemption Affidavit if you are not required to file a Federal Income Tax Return.
- 3) Produce a valid driver's license or other form of identification if requested.
- 4) Produce, if requested, a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 5) File a claim reporting that the combined assets of all persons do not exceed the current guidelines.
- 6) Meet the current year federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services.
- 7) 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.

The following are the 2023 federal poverty income guidelines which are updated annually by the United States Department of Health and Human Services. **The annual allowable income includes income for all persons residing in the principal residence.**

Size of Family Unit	2023 Poverty Guidelines
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For each additional person	\$4,720

Total Liquid and non-homestead assets along with non-essential personal property shall not exceed \$\$7,500 per individual or \$15,000 per household. For purposes of this paragraph, the Board of Review shall consider the

value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicant.

- Liquid assets to be considered include cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks, and other similar type of assets.
- A second home, land, vehicles.
- Recreational vehicles such as campers, motor-homes, boats and ATV's.
- Buildings other than residence.
- Jewelry, antiques, artwork.
- Equipment, other personal property of value.
- Bank Accounts over \$10.00, stocks.
- Money received from the sale of property, such as stocks, bonds, a house or car (unless a person is in the specific business of selling such property).
- Withdrawals of bank deposits and borrowed money.
- Gifts, loans, lump-sum inheritances and one-time insurance payments.
- Food or housing received in lieu of wages.
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps and school lunches.

WHEREAS, if a person meets all eligibility requirements in statute, the Board of Review must grant a full exemption equal to 100% reduction in taxable value; and

WHEREAS, pursuant to PA 253 of 2020, (MCL 211.7u(8)), the City of Reed City can carry a poverty exemption that was granted in 2019 or 2020, forward to 2021, 2022, and 2023 for those persons who receive a fixed income solely from public assistance that is not subject to significant annual increases (Federal Supplemental Security Income, Social Security disability or retirement benefits) by filing Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Assessor and Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption. Any denial shall be communicated in writing to the claimant.

The foregoing resolution offered by City Council Member Woodside and supported by City Council Member Nehmer.

Upon roll call vote, the following voted:

"Aye": Woodside, Burchett, Nehmer, Guiles and Meinert.

"Nay": None

ATTESTED BY  Amye Hensel, City Clerk, City of Reed City. DATE 7-10-23