CITY OF LAINGBURG

PROPERTY TAX

POVERTY EXEMPTION POLICY & GUIDELINES

BY LAW ALL BOARD OF REVIEW MEETINGS AND THE INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC DOCUMENTATION SUBMITTED TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE RULES PRESCRIBED IN THE FREDOM OF INFORMATION ACT AND REQUESTS FOR INFORMATION MAY BE RELEASED TO THE PUBLIC.

POLICY

The City of Laingsburg will grant partial exemptions due to poverty according to Section 211.7u of the Michigan Compiled Laws. **Property Tax Poverty exemptions must be applied for each year.**

The Assessor and the Board of Review will apply the guidelines as adopted by the City uniformly to all applicants without prejudice and shall not deviate from the adopted guidelines.

Note: P.A. 253 of 2020 removes the "supervisor" from statute. Only BOR grant/deny poverty exemption. BOR must not deviate from adopted policy guidelines for "substantial & compelling reasons", BOR must grand (full) 100%, 50%, and 25% for person who meets eligibility requirements or the Township will need STC approval for any other percentage reductions.

<u>GUIDELINES</u>

The applicant shall:

-Be the owner and occupant of the homestead property for which an exemption is applied (211.7u)

- File a Claim (application on the form provided by the City Assessor's office. The filing of a claim constitutes an appearance before the Board of Review for the Purpose of preserving the claimant's right to appeal (211.7u). **The application form <u>shall</u> be fully completed.**

-Sign the application at the Assessor's office when the application is returned. If the applicant cannot personally return the application, a notarized application is acceptable.

-Supply a copy of federal and state income tax returns for **all** persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding or in the current year (211.7u). Or sign affidavit if non-filer.

-Supply a copy of proof of income for the most recent one-month period for **all** household member (current pay stubs, benefit statement, etc.)

-Supply identification, proof of residency and ownership if requested by the Assessor of Board of Review (211.7u)

If the applicant fails to supply the required documents or if it is found that the information supplied is fraudulent the application **shall be denied**.

<u>Income Test</u>

Applicant's annual household income shall not exceed the federal poverty income thresholds as defined and determined annually by the U.S. Department of Commerce. (See attached defined income)

2024 Federal Income Standards Poverty Threshold

Number of persons residing in homestead	Annual allowable income
1 person	14,580
2 persons	19,720
3 persons	24,860
4 persons	30,000
5 persons	35,140
6 persons	40,260
7 persons	45,420
8 persons	50,560
Each additional person, add	5,140

Income of students under the age of 18 years, shall not be included as income

Asset Test

The value of property in excess of what is considered part of the original homesteads minimum zoning required footprint for that home shall be considered an asset.

According to the MTT Small Claims Division Docket 236230, 8/13/1997, the MTT views the asset test to be: **an indication of funds available which may be used to pay one's taxes….and not the inclusion of equity in one's home**.

Assets include, but are not limited to: real estate other than principal residence minimum footprint, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc. 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 owned on such assets, or indebtedness otherwise owned by the applicant(s).

Assets (except the original homestead and minimum zoning required footprint, essential household goods and the first $5,000 of the market value of a motor vehicle), shall not exceed $4,000 (four thousand) dollars for individual applicant and/or $6,000 (six thousand) dollars per household if more than one financial contributor.

The Bureau of the Census defines income to include the following:

1. Money wages and salaries before any deductions.
2. Net receipts from non-farm self-employment. These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses
3. Net receipts from farm self-employment. These are receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses.
4. Regular payments from social security, railroad retirement, unemployment compensation, strike benefits from union funds, workers, compensation, veterans, payments public assistance (including Aid to Families with Dependent Children Supplemental Security Income, emergency Assistance money payments, and non-Federally- funded General Assistance or General Relief money payments).
5. Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household.
6. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
7. College or university scholarships, grants, fellowships, and assistantships
8. Dividends, interest, net rental income net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.

Income does <u>not</u> include the following:

1. Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.
2. Withdrawals of bank deposits and borrowed money.
3. Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance payments
4. Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
5. Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, and school lunches.