

CHARTER TOWNSHIP OF GARFIELD
POVERTY/HARDSHIP EXEMPTION POLICY

The Charter Township of Garfield Board of Review will accept and evaluate applications for a principal residence (homestead) property tax exemption based on the taxpayer's inability to pay or poverty, pursuant to PA 390, 1994 (MCL 211.7u) and Garfield Township Board Resolution #2022-39-T. The applicant shall comply with the following as part of the application (attached):

- Be an owner of, and occupant of, the principal residence for which an exemption is requested.
- Complete an application (Exhibit "A") annually with the Township for a current year poverty exemption request and submit it to the Garfield Township Board of Review AFTER January 1 but before the Thursday prior to the last day of the Board of Review (by law, this is the 2nd Tuesday in December).
- Federal and state income tax returns for all persons residing in the principal residence INCLUDING the Michigan homestead property tax credit claim form, proof of ownership of the homestead (*if requested by the Township*) for the preceding calendar tax year MUST be provided to the Board of Review prior to its poverty exemption determination for the current tax year. If applicant is not required to file income taxes, the Poverty Exemption Affidavit (Michigan Dept. of Treasury form 4988) MUST be completed, signed and attached to the application (Exhibit "B").
- Produce a valid drivers' license or other form of official identification, if requested.
- Annually complete Michigan Department of Treasury form 5739, Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty (Exhibit "C").

The Board of Review will objectively evaluate poverty reduction applications utilizing all available information, including statements, under oath by the applicant upon appearance before the Board of Review. An applicant must apply for a poverty exemption on an annual basis.

In order to qualify for the poverty exemption, an applicant must satisfy a two-part test:

Part One requires the applicant household to satisfy the Garfield Township poverty income guidelines, which are updated annually by Township Board resolution, through its review of the Federal Poverty Guidelines of the US Department of Health and Human Services, incorporated by reference in the attached Poverty/Hardship Exemption Rules, Regulations and Asset Test (Exhibit "D").

Part Two requires the applicant to satisfy an Asset Test based upon the total amount of household assets. An applicant may qualify for the poverty exemption provided the applicant has no more than \$20,500 in total aggregate household assets as listed in the attached Poverty/Hardship Exemption Rules, Regulations and Asset Test.

In the event the applicant meets the foregoing two-part test, as well as all of the general guidelines of Township Board Resolution 2022-39-T and PA 390 of 1994, the applicant shall be exempted from all property taxes for the tax year in question by the Board of Review. If the Board of Review denies a Poverty/Hardship reduction, it must provide a written decision specifying the reasons for the denial to the applicant.

Adopted: December 13, 2022

Effective immediately. This policy and procedures are in force and effect until amended by the Charter Township of Garfield Township Board by resolution.

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION — Petitioner must list all required personal information.				
Petitioner's Name			Daytime Phone Number	
Age of Petitioner	Marital Status	Age of Spouse	Number of Legal Dependents	
Property Address of Principal Residence		City	State	ZIP Code
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit		
PART 2: REAL ESTATE INFORMATION				
List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.				
Property Parcel Code Number		Name of Mortgage Company		
Unpaid Balance Owed on Principal Residence	Monthly Payment	Length of Time at this Residence		
Property Description				
PART 3: ADDITIONAL PROPERTY INFORMATION				
List information related to any other property owned by you or any member residing in the household.				
<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below.			Amount of Income Earned from other Property	
1	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid
2	Property Address	City	State	ZIP Code
	Name of Owner(s)	Assessed Value	Date of Last Taxes Paid	Amount of Taxes Paid

PART 4: EMPLOYMENT INFORMATION — List your current employment information.

Name of Employer			
Address of Employer	City	State	ZIP Code
Contact Person	Employer Telephone Number		

PART 5: INCOME SOURCES

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION

List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 7: LIFE INSURANCE — List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION

All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

Continue on Page 3

PART 9: HOUSEHOLD OCCUPANTS — List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT — List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION

The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expense (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year.

PART 11: POLICY AND GUIDELINES ACKNOWLEDGMENT

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 12: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date
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This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name)		County	
<input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
<input type="checkbox"/> I own the property in which the exemption is being claimed.			
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.			
<input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive 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.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	Date
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	

Charter Township of Garfield Poverty/Hardship Exemption Rules, Regulations and Asset Test

EXHIBIT D

Poverty Exemption Information: MCL 211.7u (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. [Excerpt]

Test 1: Poverty Income Guidelines		Test 2: Asset Test (if the applicant meets the Poverty Income Guidelines)																															
"Table 1"		"Table 2"																															
How much <u>INCOME</u> a person can receive per year and be eligible for the Poverty Exemption		Things of Value that a person can own and still be granted a Poverty Exemption																															
What the Law says:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">2023 Federal Poverty Income Guidelines</th> <th style="width: 15%;">Maximum Total Income</th> <th style="width: 70%;">Garfield Township Income Guidelines for 2023 Poverty Exemptions *</th> </tr> </thead> <tbody> <tr><td>1</td><td>\$13,590</td><td>\$16,834</td></tr> <tr><td>2</td><td>\$18,310</td><td>\$22,734</td></tr> <tr><td>3</td><td>\$23,030</td><td>\$28,634</td></tr> <tr><td>4</td><td>\$27,750</td><td>\$34,534</td></tr> <tr><td>5</td><td>\$32,470</td><td>\$40,434</td></tr> <tr><td>6</td><td>\$37,190</td><td>\$46,334</td></tr> <tr><td>7</td><td>\$41,910</td><td>\$52,234</td></tr> <tr><td>8</td><td>\$46,630</td><td>\$58,134</td></tr> <tr><td>each additional person:</td><td>\$4,720</td><td>\$5,900</td></tr> </tbody> </table>	2023 Federal Poverty Income Guidelines	Maximum Total Income	Garfield Township Income Guidelines for 2023 Poverty Exemptions *	1	\$13,590	\$16,834	2	\$18,310	\$22,734	3	\$23,030	\$28,634	4	\$27,750	\$34,534	5	\$32,470	\$40,434	6	\$37,190	\$46,334	7	\$41,910	\$52,234	8	\$46,630	\$58,134	each additional person:	\$4,720	\$5,900	<p style="text-align: center;">"Table 3"</p> <p>Things of Value that the BOR can consider to decide what percent exemption to grant</p> <p>Every township must adopt an asset test, but no specific test is mandated by law. The township board should set a <u>maximum asset amount</u> - in other words, a total value of assets that will likely result in receiving a 0% exemption. This can either be a dollar amount or a percentage of total income.</p> <p>Based on the assets listed on a poverty exemption application, the Board of Review may grant the applicant a 0% or 100% exemption.</p> <p style="text-align: center;">-----</p> <p>A township can consider the homestead property tax credit that the applicant is eligible for to calculate the the percentage of poverty exemption to be granted.</p> <p style="text-align: center;">-----</p> <p>MCL 211.7u(5): "The board of review shall follow the policy and guidelines of the local assessment unit in granting or denying an exemption under this section .</p>	
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What the Law says:	<p>The law protects the applicant's residence. The home, or up to a specified amount of equity in the home, is not considered in determining the percent of the exemption the applicant may receive.</p> <p>In Garfield Township, in the event the applicant meets the requirements of the two-part test, as well as all of the general guidelines of the annual Township Board Resolution and PA 390 of 1994, the applicant shall be exempted from all property taxes for the year in question by the Board of Review.</p>																																
<p>* Garfield Township's income limits are based on census data of the Median Household Income (2021 American Community Survey) for Grand Traverse County of \$65,651 divided by 2.34 (number of people per household) = \$28,056 Avg Income per person x 60% (low income guidelines for housing in Grand Traverse County)</p> <p>Note: The township board can adopt maximum income levels <u>higher</u> than the federal poverty guidelines. A township board can make it easier for a person to be eligible for the poverty exemption, but it cannot make it <u>harder</u> (by adopting lower income levels).</p>																																	

**Charter Township of Garfield
Poverty/Hardship Exemption
Rules, Regulations and Asset Test**

EXHIBIT D

	<p align="center">Test 1: Poverty Income Guidelines</p>	<p align="center">Test 2: Asset Test (If the applicant meets the Poverty Income Guidelines)</p>	<p align="center">Test 2: Asset Test</p>
<p>Examples:</p> <ul style="list-style-type: none"> * According to the US Census Bureau, "income" includes: <ul style="list-style-type: none"> * Money, wages and salaries before any deductions * Net receipts from nonfarm self-employment. (These are receipts from a person's own business, professional enterprise, or partnership, after deductions for self-employment. * Net receipts from farm self employment. (With the same provisions as above for self-employment.) * Regular payments from social security, railroad retirement, unemployment, workers' compensation, veterans' payments and public assistance. * Alimony, child support, and military family allotments. * Private pensions, government pensions, and regular insurance or annuity payments. * College or university scholarships, grants, fellowships, and assistantships. * Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings. 	<p>The township may allow a person to own other things, besides the home, and still receive a poverty exemption.</p> <p>Garfield Township, in addition to the principal residence, allows an applicant to own:</p> <ul style="list-style-type: none"> * Savings, checking accounts, stocks, bonds or other liquid accounts with a combined balance or value of \$6,000 or less. * One vehicle for each household member of driving age. * Tools and other household furnishings, equipment and clothes. * One recreational vehicle or boat with a market value of \$10,000 or less. * Jewelry of a value less than \$2,000, not including wedding and engagement rings. * Coin collections, firearm collections, stamp collections, rock collections, or similar collections, where the value of each collection does not exceed \$2,500. * The TOTAL value of these assets cannot exceed \$20,500. 	<p>A township may ask applicants to list all of the following types of assets to apply for a poverty exemption (list is not exhaustive):</p> <ul style="list-style-type: none"> * A second home * Land * Vehicles * Recreational vehicles (campers, motor homes, boats, ATVs, etc.) * Buildings other than residence. * Equity in the residence above a specified amount. * Jewelry * Antiques * Artwork * Equipment * Other personal property of value. * Bank accounts over a specific amount. * Stocks * Money received from sale of property such as stocks, bonds, a house or a car unless a person is in the business of selling such property. * Withdrawals of bank deposits and borrowed money. * Tax refunds, gifts, loans, lump-sum inheritances, one-time insurance pymts. * Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms. * Federal noncash benefit programs such as Medicare, Medicaid, food stamps, & school lunches. 	