

CHARTER TOWNSHIP OF GARFIELD

RESOLUTION 2020-28-T

ADOPTION OF POVERTY/HARDSHIP EXEMPTION POLICY

WHEREAS, the homestead of persons who, in the judgment of the Supervisor 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

WHEREAS, the Township Board is required by Section 7u of the General Property Tax Act, Public Act 206 of 1893 (MCL 211.7u), to annually adopt guidelines for such exemptions;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that the Charter Township of Garfield, Grand Traverse County, adopts the following 2021 Poverty/Hardship Exemption Policy (attached) for the Supervisor and Board of Review to implement.

The rules and regulations 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 the following on an annual basis:

- 1) Be an owner of, and occupy as a homestead, the property for which an exemption is requested.
- 2) File a claim with the Supervisor or Board of Review (Exhibit "B"), accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns filed in the immediately preceding year or in the current year. Or, if applicant is not required to file income taxes, complete and file with the Supervisor or Board of Review the Poverty Exemption Affidavit (Michigan Dept of Treasury form 4988 (Exhibit "C")).
- 3) Produce a valid drivers' license or other form of identification if requested.
- 4) Produce a deed, land contract, or other evidence of ownership of the property for which and exemption is requested, *if requested*.
- 5) Meet Garfield Township's Income Guidelines, as stated in the attached Poverty/Hardship Exemption Rules, Regulations and Asset Test (Exhibit "A").
- 6) Meet additional eligibility requirements as determined by the Township Board.

BE IT ALSO RESOLVED that the Board of Review shall follow the above stated policy and Garfield Township Poverty Income 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 these reasons are communicated in writing to the claimant. 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.

The foregoing resolution offered by Board Member Molly Agostinelli and supported by Board Member Denise Schmuckal.

Upon roll call vote, the following voted:

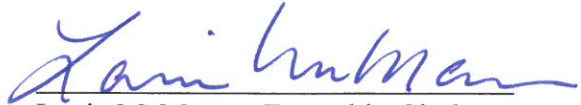
Yeas: Agostinelli, Schmuckal, Barsheff, Duell, Blood Law, McManus, Korn

Nays: None

Abstain: None

Absent and Excused: None

The Chairman declared the motion carried, and Resolution 2020-28-T duly adopted.


Lanie McManus, Township Clerk

CERTIFICATE

I, Lanie McManus, the duly appointed Township Clerk, hereby certify that the foregoing constitutes a true copy of a Resolution of the Township Board for the Charter Township of Garfield, adopted during a meeting of the Charter Township of Garfield Township Board, Grand Traverse County, Michigan, held on December 8, 2020, at which meeting (7) seven members were present as indicated in said Minutes and voted as therein set forth and that all signatures affixed thereto are the genuine signatures of those so indicated, and that each signatory was duly authorized to affix his or her signature, that said meeting was held in accordance with the Open Meetings Act of the State of Michigan, and that due and proper notice of the meeting as required by law was given to the members of the Township Board, and that the Minutes of said Meeting were kept and will be and have been available as required by said Act.

Date: 12-9-2020


Lanie McManus, Township Clerk

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 #2020-28-T. The applicant shall comply with the following as part of the application (attached):

- Complete an application (Exhibit "B") 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). The application must be signed before a notary, the Township Supervisor, or a Township Assessing Department staff member.
- 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 for file income taxes, the Poverty Exemption Affidavit (Michigan Dept. of Treasury form 4988) MUST be completed, signed and attached to the application (Exhibit "C").
- Be an owner of, and occupant of, the principal residence for which an exemption is requested.

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 "A").

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 \$20,000 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 2020-28-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, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the foregoing policy and guidelines and the substantial and compelling reasons are communicated to the applicant in writing. 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 8, 2020

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

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

| <p>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.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|----------------------------|---|----------|----------|---|----------|----------|---|----------|----------|---|----------|----------|---|----------|----------|---|----------|----------|---|----------|----------|---|----------|----------|------------------------|---------|---------|---|
| <p>Test 1: Poverty Income Guidelines</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>What's involved</p> | <p>"Table 1" How much <u>INCOME</u> a person can receive per year and be eligible for the Poverty Exemption</p> | <p>"Table 2" Things of Value that a person can own and still be granted a Poverty Exemption</p> | <p>"Table 3" Things of Value that the BOR can consider to decide what percent exemption to grant</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>20 Federal Poverty Income Guidelines</p> <table border="1"> <thead> <tr> <th>Size of Family Household</th> <th>Maximum Total Income</th> <th>Income Guidelines for 2021</th> </tr> </thead> <tbody> <tr><td>1</td><td>\$12,490</td><td>\$15,371</td></tr> <tr><td>2</td><td>\$16,910</td><td>\$20,751</td></tr> <tr><td>3</td><td>\$21,330</td><td>\$26,131</td></tr> <tr><td>4</td><td>\$25,750</td><td>\$31,511</td></tr> <tr><td>5</td><td>\$30,170</td><td>\$36,891</td></tr> <tr><td>6</td><td>\$34,590</td><td>\$42,271</td></tr> <tr><td>7</td><td>\$39,010</td><td>\$47,651</td></tr> <tr><td>8</td><td>\$43,430</td><td>\$53,031</td></tr> <tr><td>each additional person</td><td>\$4,420</td><td>\$5,380</td></tr> </tbody> </table> <p>* Garfield Township's Income limits are based on census data of the Median Household Income (2018 estimates) for Grand Traverse County of \$61,485 divided by 2.40 (number of people per household) = \$25,619 Avg Income per person x 60% (low income guidelines for</p> <p>Note: The township board can adopt maximum income levels higher than the federal poverty guidelines. A township board can make it easier for a person to be eligible for the poverty exemption, but it <u>cannot make it harder</u> (by adopting lower income levels).</p> | Size of Family Household | Maximum Total Income | Income Guidelines for 2021 | 1 | \$12,490 | \$15,371 | 2 | \$16,910 | \$20,751 | 3 | \$21,330 | \$26,131 | 4 | \$25,750 | \$31,511 | 5 | \$30,170 | \$36,891 | 6 | \$34,590 | \$42,271 | 7 | \$39,010 | \$47,651 | 8 | \$43,430 | \$53,031 | each additional person | \$4,420 | \$5,380 | <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. 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, unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the</p> |
| Size of Family Household | Maximum Total Income | Income Guidelines for 2021 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | \$12,490 | \$15,371 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | \$16,910 | \$20,751 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | \$21,330 | \$26,131 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | \$25,750 | \$31,511 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | \$30,170 | \$36,891 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | \$34,590 | \$42,271 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | \$39,010 | \$47,651 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | \$43,430 | \$53,031 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| each additional person | \$4,420 | \$5,380 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <p>Test 2: Asset Test</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Charter Township of Garfield Poverty/Hardship Exemption

Rules, Regulations and Asset Test

| | <p style="text-align: center;">Test 1: Poverty Income Guidelines</p> | <p style="text-align: center;">Test 2: Asset Test</p> <p style="text-align: center;">(if the applicant meets the Poverty Income Guidelines)</p> |
|--|---|--|
| <p>Examples:</p> <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' payment 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, 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, fire arm collections, stamp collections, rock collections, or similar collections, where the value of each collection does not exceed \$2,500. | <p>A township may ask applicant's 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 specific amount. • Jewelry • Antiques • Artwork • Equipment • Other personal property of value. • Bank accounts over a specific amount. • Stocks • 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. • 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 wage and the value of food and fuel produced and consumed on farms. • Federal noncash benefit programs such as Medicare, Medicaid, food stamps, & school lunches. |

Exhibit "B"
POVERTY/HARDSHIP EXEMPTION APPLICATION

I, _____, owner and occupant of the principal residence listed below, apply for property tax relief under MCL 211.7u of the General Property Tax Act because by reason of my inability to pay or poverty I am unable to contribute toward the public charges and seek exemption from taxation under this Act.

In order 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 listed within the application. Please write legibly and attach additional pages as necessary.

PERSONAL INFORMATION: Petitioner must list all required personal information.

| | | | |
|--|--|-----------------------|--|
| Address of Principal Residence: | | Daytime Phone Number: | |
| Age of Petitioner: | Marital Status: | Age of Spouse: | |
| Number of Legal Dependents: | Age of Dependents: | | |
| Applied for Homestead Property Tax Credit (yes or no): | Amount of Homestead Property Tax Credit: | | |

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, *IF REQUESTED*.

| | | | |
|---|---------------------------|-----------------------------------|--|
| Property Parcel Code Number: | Name of Mortgage Company: | | |
| Unpaid Balance Owed on Principal Residence: | Monthly Payment: | Length of Time at this Residence: | |

ADDITIONAL PROPERTY INFORMATION: List information related to any other property you, or any household member owners.

| | | | |
|---|------------------|--|---|
| Do you own, or are buyer, other property (yes or no)? If yes, complete the information below. | | Amount of Income Earned from Other Property: | |
| Property Address | Name of Owner(s) | Assessed Value | Amount(s) & Date(s) Paid of Last Year's Tax Bills |
| | | \$ | |
| | | \$ | |

EMPLOYMENT INFORMATION: List your current employment information.

| | |
|----------------------|-------------------------|
| Name of Employer: | Name of Contact Person: |
| Address of Employer: | Employer Phone Number: |

List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRA's (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contributions, reverse mortgages, or any other source of income.

| Source of Income | Amount | Monthly or Annual (indicate which) |
|------------------|--------|------------------------------------|
| | | |
| | | |
| | | |

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.

| Name of Financial Institution or Investment(s) | Amount on Deposit | Current Interest Rate | Name(s) on Account | Value of Investment |
|--|-------------------|-----------------------|--------------------|---------------------|
| | | | | |
| | | | | |
| | | | | |

LIFE INSURANCE: List all policies held or owned by all household members.

| Name of Insured | Amount of Policy | Monthly Payment | Policy Paid in Full | Name of Beneficiary | Relationship to Insured |
|-----------------|------------------|-----------------|---------------------|---------------------|-------------------------|
| | | | | | |
| | | | | | |
| | | | | | |

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

| Make | Model | Year | Monthly Payment | Balance Owed | Lender | Owner |
|------|-------|------|-----------------|--------------|--------|-------|
| | | | | | | |
| | | | | | | |
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LIST ALL PERSONS LIVING IN HOUSEHOLD: All persons residing in the residence must be listed.

| First & Last Name | Age | Relationship to Applicant | Place of Employment | Monthly Monetary Contribution to Family Income |
|-------------------|-----|---------------------------|---------------------|--|
| | | | | |
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PERSONAL DEBT: All personal debt for all household members must be listed.

| Creditor | Purpose of Debt | Date of Debt | Original Balance | Monthly Payment | Balance Owed |
|----------|-----------------|--------------|------------------|-----------------|--------------|
| | | | | | |
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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/Internet: | Food: |
| Clothing: | Health Insurance: | Garbage: |
| Daycare: | Car Expense (gas, repair, insurance): | Medical Expense (co-pays, prescriptions): |
| Other (list type): | Other (list type): | Other (list type): |
| Other (list type): | Other (list type): | Other (list type): |
| Other (list type): | Other (list type): | Other (list type): |

OTHER ASSETS: List all other assets and their values that are owned or controlled by you, including but not limited to, boats and other recreational vehicles, collections (coins, firearms, stamps, rock, art, etc.), antiques, silver, jewelry, equipment, etc.

| Type of Asset(s) | Value | Income Derived from Asset(s) | Owner |
|------------------|-------|------------------------------|-------|
| | | | |
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Reason for Requesting Exemption

Notice: Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

Notice: Per MCL 211.7u(2)(b), a copy of all household members federal income tax returns, state income tax returns (MI-1040) and Homestead Property Tax Credit claims (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income. Documentation for all income sources including, but not limited to, credits, claims, Social Security income, child support, alimony income, and all other income sources must be provided at time of application.

Petitioners: Do not sign this application until witnessed by the Supervisor, Board of Review, Notary Public, or Garfield Township Assessing Staff.

STATE OF MICHIGAN
COUNTY OF GRAND TRAVERSE

I, the undersigned Petitioner, hereby declare that the foregoing information is complete and true and that neither I, nor any household member residing within the principal residence, have money, income, or property other than mentioned herein.

Petitioner Signature

Date

Subscribed and sworn this _____ day of _____, 2019 by:

Assessing Staff Member Signature

Printed Name

Board of Review Member Signature

Printed Name

Supervisor Signature

Printed Name

Notary Public
Acting in Grand Traverse County
Grand Traverse County, Michigan

Printed Name

My Commission Expires: _____

This application shall be filed after January 1, but before the Thursday prior to the last day of the December Board of Review (2nd Tuesday in December, by Law) to the following address:

Board of Review
c/o Amy L DeHaan, MMAO(4) - Assessor
Charter Township of Garfield
3848 Veterans Drive
Traverse City, MI 49684

DECISIONS OF THE MARCH BOARD OF REVIEW MAY BE APPEALED TO THE SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL BY JULY 31 OF THE CURRENT YEAR. JULY OR DECEMBER BOARD OF REVIEW DENIALS MAY BE APPEALED TO THE SMALL CLAIMS DIVISION OF THE MICHIGAN TAX TRIBUNAL WITHIN 30 DAYS OF THE DENIAL. A COPY OF THE BOARD OF REVIEW DECISION MUST BE INCLUDED WITH THE FILING.

Forms can be found online at: www.michigan.gov/taxtrib and can be e-filed or mailed to: Michigan Tax Tribunal, PO Box 30232, Lansing, MI 48909

Exhibit "C"

Michigan Department of Treasury
4988 (05-12)

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