

**A RESOLUTION ESTABLISHING POVERTY GUIDELINES FOR EXEMPTION
FROM PROPERTY TAX CONTRIBUTIONS - 2022**

At a regular meeting of the Township Board of Claybanks Township, Oceana County, Michigan, held in the Township Hall, 7577 W. Cleveland Rd., New Era, Michigan, 49446 on the 13th day of December 2021.

PRESENT: _____

ABSENT: _____

The following preamble and resolution was offered by _____ and seconded by _____.

WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the township board; and

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 Public Act 390, 1994(MCL 211.7u); and

WHEREAS, pursuant to PA 390 of 1994, Claybanks Township, Oceana County adopts the following guidelines for the supervisor 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 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, 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 a current year.
- 3) Produce a valid driver's license or other form of identification if requested.
- 4) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, if requested.
- 5) Meet the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget.
- 6) The application for an exemption shall be filed after January 1 but before the day prior to the last day of the board of review.
- 7) The guidelines apply to individuals and not to corporations, partnerships, associations or trusts. In the event that a partnership, association, or co-owners apply, the guidelines apply to the total assets of all individuals involved.
- 8) The guidelines apply to both an owner of a life estate and all remainder interests together.

Poverty Exemption Resolution Cont'd:

- 9) Several factors will be weighed in order to determine whether an applicant qualifies for an exemption. Factors analyzed will include the following:
- A. Income levels
 - B. Total value of liquid assets
 - C. Total non-homestead real property
 - D. Total acreage owned
 - E. Non-essential personal property
 - F. Total value of all assets
 - G. Gifts made within 10 years
 - H. Employability
 - I. Retirement account value, IRA, 401K, etc.
 - J. Other factors suggesting an individual's worth, including but not limited to life insurance, businesses, lawsuits, judgments due, etc.
- 10) Total liquid assets must not exceed the value of \$10,000. Assets beneath \$10,000 shall be considered together with other factors in order to determine eligibility. Liquid assets shall be considered cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks, and other similar type of assets.
- 11) Total non-homestead and non-qualified agricultural real property shall not exceed the value of \$10,000.
- 12) The non-essential personal property shall not exceed \$5,000. Non-essential personal property includes but is not limited to horses, snowmobiles, boats, motorcycles, jet skis, all terrain vehicles. The purpose of this factor is to exclude from poverty consideration those individuals who have purchased recreational, hobby or sporting property which is not related to essential needs.
- 13) Total net assets must not exceed \$50,000. Total net assets below \$50,000 shall be considered together with other factors in order to determine eligibility.

The following are the poverty thresholds as of Dec. 31, 2020 for use in setting poverty exemption guidelines for 2021 assessments:

Size of Family Unit	Annual Household Income
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660
For each additional person, add	\$4,540

Poverty Exemption Resolution Cont'd

- 14) The guidelines include employability of the individual applicants as well as other adults living in the residence. Factors here include but are not limited to attempts to find employment; physical, mental and experiential abilities, voluntary loss of employment or employment opportunities, etc.
- 15) The guidelines shall include an analysis of all gifts given by the applicants within ten (10) years. An applicant cannot divest him or herself of assets and then claim poverty. No fixed amount is set as a factor as each applicant must be handled on a case by case basis.
- 16) It is possible for an applicant to qualify under each separate factor but not qualify when all factors are considered together. The following are examples of how a combination of factors may disqualify a person:
 - A. An applicant has a total asset value of \$40,000 but gave away \$20,000 within the last ten years.
 - B. An applicant qualifies under income or asset factors but recently spent \$10,000 for a life insurance policy with his or her children as beneficiaries.
 - C. The applicant qualifies under the asset or income levels but voluntarily quit from a well-paying job. In addition to weighing the individual factors, the Board of Review and Supervisor shall evaluate all of the factors together in order to determine if the applicant is in a poverty condition.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the board of review determines that there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and those are communicated in writing to the claimant.

Upon Roll Call vote, the following voted:

Aye: _____

Nay: _____

Absent: _____

The supervisor declared the resolution adopted.

I, _____, Clerk of Claybanks Township, hereby certify this to be a true and complete copy of the above resolution, duly adopted at a regular meeting of the Township Board held on the 13th day of December 2021.

Claybanks Township Clerk