

RESOLUTION 2021-01

**TO ADOPT POVERTY EXEMPTION POLICY AND ASSET
TEST GUIDELINES-AMENDED**

At a regular meeting of the Township Board of Trustees of the Township of Clay, County of St. Clair, State of Michigan, held Via Zoom – due to COVID 19 Pandemic, on February 1, 2021 at 7:00pm with the following in attendance:

PRESENT: Supervisor Artie Bryson, Clerk Cindy Valentine, Treasurer Kristi Hiltunen, Trustees: Mark Borchardt, Maureen Boury, Chris O'Regan, Joanne Shirkey

ABSENT: None

The following preamble and resolution was offered by Clerk Cindy Valentine and supported by Treasurer Kristi Hiltunen,

WHEREAS, MCL 211.7u(1) of the Michigan General Property Tax Act allows that persons who the Board of Review determines by reason of poverty to be unable to contribute to the public tax burden is eligible for an exemption in whole or in part from taxation under the Michigan General Property Tax Act; and,

WHEREAS, the Township Board has adopted the following policy and guidelines for applications:

- All applicants must fill out an "Application for Poverty Exemption" (Treasury form 5737) in its entirety and provide all documentation listed on the application or additional documents as requested by the Board of Review. Handicapped or disabled applicants may call the Assessor's Office at 810-794-9303 to make necessary arrangements for assistance. Applications are filed on an annual basis.
- All applicants must be the owner and resident of the property in which tax relief is filed on. They must provide a driver's license or valid form of identification and evidence of ownership if requested by the Board of Review.
- Applicant must meet the annually adjusted "Federal Poverty Exemption Guidelines", "Asset Guidelines" and "Income Guidelines" as adopted by the Board of Trustees. Must meet any other requirements per MCL 211.7u amended.
- The Board of Review will consider all forms of assets and/or income as listed in the Asset Level Guidelines & Income Level Guidelines, including all financial institution statements.
- Gifts and contributions by all persons whether living in the household or not will be taken into consideration for the purposes of establishing exemption eligibility.
- Non- cash benefits such as Medicaid, WIC, food stamps and school lunches shall be considered as household income for purposes of establishing exemption eligibility.
- Extraordinary medical expenses may be taken into consideration.
- The Board of Review shall follow the guidelines of the local assessing unit in granting or denying an exemption.
- A person who files for a poverty exemption is not prohibited from also filing an appeal on the assessment and/or taxable value.
- All applicants must submit a copy of the Federal Income and State Income Tax Return and Homestead Tax Credit, filed in the immediately preceding year or in the current year for all persons living in the homestead. If applicant(s) or other persons living in the household are not required to file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit. (form 4988)

The Township of Clay adopts the following percentage rate reduction in accordance with MCL 211.74u (5), PA 253 of 2020 as provided by the Michigan State Tax Commission. No other percentage reduction may be utilized except for those provided in Statute or approved by the State Tax Commission,

1. A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
2. A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
3. A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

and,

WHEREAS, the Township Board as required by MCLA 211:7U of the Michigan General Property Tax Act, Public Act 206 of 1893 as amended states all guidelines for poverty exemptions are established by the governing body of the local assessing unit and shall include an Asset Level Test. The following asset test SHALL apply to all applications for poverty exemption; these guidelines shall be deemed continuing unless revoked or amended by the Clay Township Board of Trustees.

The applicant shall not have liquid assets (excluding the value of the principal residence subject to the exemption request) in excess of two (2) times the amount of the estimated tax obligation of the current assessment.

The applicant shall not have total assets (excluding the value of the principal residence subject to the exemption request) in excess of ten (10) times the amount of the estimated tax obligation of the current asset.

All asset information, as requested in the application for poverty exemption must be completed in its entirety. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if the assets are not properly identified.

Liquid assets may include but are not limited to:

Bank Accounts, stocks and bonds, retirement or investments accounts, pensions, money received from the sale of properties such as; stocks, bonds, real estate, or car unless a person is in the specific business of selling such property.

Total assets may also include but not limited to:

A second home, excess or vacant land, rental property, extraordinary or recreational vehicles, real estate other than principle residence, equipment, other personal property of value, food or housing received in lieu of wages and value of food and fuel produced and consumed on farms.

and,

WHEREAS, The Township Board as required by MCL 211.7u as amended, requires local governing bodies to adopt guidelines that set income levels for their poverty exemption guidelines and those income levels shall not be set lower by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services. The Township of Clay adopts the annually updated Federal Poverty guidelines as part of the application and income level guidelines and,

WHEREAS, the income guidelines shall include, but are not limited to: the specific income for the person claiming the exemption and should also include anyone else who is living at or contributing to the claimant's household and,

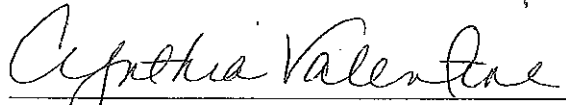
WHEREAS, income may include but is not limited to: money, wages, and salaries before any deductions, net receipts from self-employment, Regular payments for social security, railroad retirement, unemployment, worker's compensation, veteran's payments and public assistance, Alimony, child support, and military family allotments, private pensions, governmental 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, Gifts, lump-sum inheritances, one-time insurance payments. State and/or Federal noncash benefits programs such as Medicare, Medicaid, food stamps,

and school lunches are not to be used for the calculation of income for the determination of Poverty Exemption and,

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Review shall follow the stated policies and the policies of the federal poverty guidelines, in granting a denying an exemption.

BE IT FURTHER RESOLVED any and all prior Resolutions, which are inconsistent with this Resolution herein are revoked.

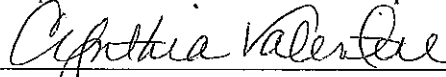
This Resolution adopted by the Clay Township Board of Trustees on February 01, 2021.



Cynthia Valentine, Clay Township Clerk

CERTIFICATION

The undersigned Clerk of the Township of Clay hereby certifies that the foregoing constitutes a true and complete copy of a Resolution adopted by the Clay Township Board of Trustees of the Township of Clay, County of St. Clair, Michigan at a meeting held on February 01, 2021 at which seven (7) members of the Township Board were present and voted as indicated, that said meeting was held in accordance with the Open Meetings Act of the State of Michigan, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will have been made available as required by said Act.



Cynthia Valentine, Clay Township Clerk