

MUSKEGON CHARTER TOWNSHIP

POLICY AND GUIDELINES FOR POVERTY EXEMPTIONS FROM TAXATION FOR THE YEAR OF 2021

Starting in 1995, P.A. 390 of 1994, states that poverty exemption may be granted by the Board of Review to claimants that are owners of **HOMESTEAD ONLY**. According to P.A. 390, homestead means homestead of qualified agricultural property as those terms are defined in MCL 211.7dd. (See STC Bulletin No. 5, 1995 – Item A)

The Township Board has established the following listed items and requirements that shall be adhered to when granting poverty exemptions:

1. Public Act 390 of 1994, also known as MCL 211.7u, as amended.
2. Bulletin No. 5, January 23, 1995, Michigan Department of Treasury, State Tax Commission to include the definitions and requirements.
3. Income tests as established by Muskegon Charter Township. Income is defined in Bulletin No. 5, item G. (Specific Income tests are attached/included later in this documents.
4. Asset tests for the entire household as determined by Muskegon Charter Township. (Specific Asset Tests are attached/include in this document.)
5. Additional specific tests established by Muskegon Charter Township that Must be met before the application will be considered for approval. In Order to qualify for the poverty exemption, the claimant must meet **ALL** of The tests set by Muskegon Charter Township. (As defined in Bulletin No. 5, Item C.) (See Specific Additional Tests attached.)
6. Only Partial Poverty Exemptions up to a maximum exemption of 50% will be granted. (As defined in Bulletin no. 5, item D (3)). No exemption greater than 50% will be authorized.
7. Filing for the Poverty Exemption shall be on an **annual** basis, after January 1 and before the second (2nd) Monday in March. (As defined in Bulletin No. 5, item E.)
8. Provide federal and state income tax returns for **ALL** persons residing in the homestead, including any property tax credit returns. (As defined in Bulletin No. 5, item E 3.)

POLICY & GUIDELINES FOR POVERTY EXEMPTION FROM TAXATION

9. Claimant should request a Poverty Exemption at the March Board of Review in Order to qualify for further appeals.
10. Appeal of Poverty Exemption denials by the March Board of Review may be appealed to the Michigan Tax Tribunal before July 31st of the year of the denial for that year of denial.
11. 25% exemption for applicants in the top 10% of income and specific tests range.
12. 50% exemption for applicants in the 11% - 89% of income and specific tests range.
13. Claimant must submit 6 months' worth of income for all occupants and 6 months' worth of expenses.

MUSKEGON CHARTER TOWNSHIP SPECIFIC ADDITIONAL TESTS

(As adopted by the Muskegon Township Board)

P.A. 390 of 1994, requires the local governing body to set income and asset levels for their poverty exemption guidelines. The Act also allows the governing body to establish additional tests that they feel are appropriate. In order to qualify for the poverty exemption, the claimant must meet **all** of the tests that have been set. As the governing body of the township, the Muskegon Charter Township Board hereby establishes the following tests that must be met in order for an applicant to qualify for a poverty exemption. These test are in addition to the established income and asset test, which must also be met in entirety.

- 1 You must be able to verify your occupancy.
- 2 You must own or be buying your home and you must have held a principal residence exemption on the property for the year of the requested poverty exemption.
- 3 You must have a recorded deed to your home if you own it outright or are purchasing on a mortgage. If you are purchasing through a land contract, you must have a recorded or notarized land contract.
- 4 You must furnish proof that your mortgage or land contract payments are current.
- 5 You must furnish proof that your income falls within the allowed limits.
- 6 You must furnish proof that your property taxes are paid to date.
- 7 Your property must be clear of debris, trash, junk cars, etc. as defined by the Muskegon Charter Township Zoning Ordinance.

MUSKEGON CHARTER TOWNSHIP SPECIFIC INCOME AND ASSET TESTS

(As adopted by the Township Board)

P.A. 390 of 1994 requires the local governing body to set income and asset levels for their poverty exemption guidelines. As the governing body of the township, the Muskegon Charter Township Board hereby establishes the following income and asset tests in order to qualify for a poverty exemption.

- 1 Your liquid assets (cash, savings and checking accounts, savings bonds, etc.) cannot be greater than \$5000.
- 2 Your material assets shall not exceed:
 - A. One (1) transportation type motor vehicle (car, truck ,motorcycle) for each Income provider within the household.
 - B. Zero (0) recreational type vehicles
 - C. Must not own more land than the footprint of home or minimum lot size required for a single family residence in accordance with Township ordinances.
- 3 Poverty Income Standards

| <u>Number of persons residing in Homestead</u> | <u>Poverty Threshold</u> |
|--|--------------------------|
| 1 person | \$12,760 |
| 2 persons | \$17,240 |
| 3 persons | \$21,720 |
| 4 persons | \$26,200 |
| 5 persons | \$30,680 |
| 6 persons | \$35,160 |
| 7 persons | \$39,640 |
| 8 persons | \$44,120 |
| For each additional person add | \$4,480 |

Please return your completed application to Muskegon Charter Township Assessing Department. If you require assistance with the form please call Juanita Velez Bunker at 231-777-2555 x1125. All poverty exemption applicants are required to be interviewed. Please call the number listed above to make an appointment.

ADOPTION BY THE MUSKEGON CHARTER TOWNSHIP BOARD OF TRUSTEES

The Muskegon Charter Township Board of Trustees did duly consider and adopt the so stated policies, tests and guidelines, subject to amendment as thresholds change, for the granting of any partial poverty exemption from taxation on the 1st day of February, 1995.

As Amended: January 6, 2012
As Amended: January 7, 2013
As Amended: January 6, 2014
As Amended: December 15, 2014
As Amended: January 18, 2016
As Amended: December 19, 2016
As Amended: January 16, 2018
As Amended: January 2, 2021

Carrie Westbrook, Clerk
Muskegon Charter Township