

**Resolution 01-10R**

**POVERTY GUIDELINES RESOLUTION  
TOWNSHIP OF Dorr Township Office**

- WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the Township; and
- WHEREAS, the homestead of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or in part from property taxation under Public Act 390, 1994 (MCL 211.7a); and
- WHEREAS, pursuant to PA 390, 1994, the Township of Dorr, Allegan County, adopts the following guidelines for the Assessor 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 credit returns, filed in the current or immediately preceding year; and
- WHEREAS, changes to these guidelines may be made by the Township of Dorr.
- NOW, THEREFORE, BE IT HEREBY RESOLVED, THAT THE Assessor and Board of Review shall follow the below stated guidelines and Federal 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 Federal guidelines and those are communicated in writing to the claimant.

Adopted by the  
Dorr Township Board  
On January 7, 2010

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Jodi L. Brummel, Clerk

## TOWNSHIP OF DORR POVERTY EXEMPTION GUIDELINES

1. Purpose. The principal residence of persons who, in the judgment of the 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.
2. Eligibility. To be eligible for the poverty exemption:
  - a. The applicant must be an owner of, and occupy as a principal residence, the property for which the exemption is requested;
  - b. Total annual household income shall not exceed the amounts set forth under the Federal poverty guidelines as defined and determined annually by the United States Office of Management and Budget; and
  - c. Total assets, except the homestead being claimed, essential household goods, and the first \$5,000 of the market value of a motor vehicle, should not exceed;
    - (i) \$4,000 for the claimant;
    - (ii) \$6,000 for the household.

Assets include, but are not limited to real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, and retirement funds. Assets to not include essential household goods such as furniture, appliances, dishes, and clothing.

The Board of Review will not reduce the value of the assets by the amount of any indebtedness owed on such assets, or any indebtedness otherwise owed by the applicant.

If the applicant meets these eligibility requirements, the applicant will be entitled to a poverty exemption as long as the applicant complies with the remaining requirements and procedures set forth in these guidelines.

3. Application. To apply for the poverty exemption, a person shall do all of the following on an annual basis:
  - (a) File a Hardship Exemption Application with the Assessor or Board of Review. Applicants must obtain the application from the Assessor's Office. Handicapped or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.

- (b) Submit copies of 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.
  - (c) Produce a valid driver's license or other form of identification.
  - (d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, if such proof of ownership is requested by the Board of Review.
  - (e) Provide evidence of other assets including investments, real property, and retirement accounts.
4. Deadline. The application must be submitted after January 1, but before the day prior to the last day of the Board of Review.
5. Appearance before the Board of Review. The applicant, or a representative of the applicant, will be required to appear before the Board of Review to respond to any questions that the Board or Assessor may have concerning the exemption application.
- (a) An applicant may be called to appear before the Board on short notice.
  - (b) An applicant may have to answer questions regarding the applicant's financial affairs, health, or the status of people living in the applicant's home before the Board at a meeting that is open to and will be attended by the public.
  - (c) Applicants appearing before the Board may be administered an oath as follows:

“Do you \_\_\_\_\_ swear and affirm that the evidence and testimony you will give in your own behalf before the Board of Review is the truth, the whole truth, and nothing but the truth, so help you.”
  - (d) The Assessor may tape record and will keep minutes of all proceedings before the Board of Review.
  - (e) If called to appear before the Board, physically challenged or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
  - (f) The Board of Review may, in its discretion, review poverty exemption applications without the applicant or the applicant's representative being physically present.

6. Evaluation of Application. Applications for poverty exemptions will be evaluated based on information submitted to the Board of Review by the applicant, testimony taken from the applicant, and information gathered by the Board from any source.
  - (a) The Board of Review is not required to grant a poverty exemption for property owned by multiple owners as long as at least one owner is not eligible for the poverty exemption.
  - (b) The Board of Review may conduct an investigation to verify the information submitted or statements made to the Assessor Board of Review regard to the applicant's poverty exemption claim.
  - (c) The Board of Review may not deny a poverty exemption based upon mere speculation regarding the level of an applicant's income or assets.
  - (d) A poverty exemption, if granted, shall remain in effect for one year and an applicant's eligibility for the poverty exemption shall be determined each year.
  - (e) The Board of Review may not determine an applicant's eligibility for the poverty exemption based on the number of years that the applicant has been granted a poverty exemption in the past, or the number of years that the applicant may be granted a poverty exemption in the future.
  
7. Special Circumstances Warranting Application of the Poverty Exemption. The Board of Review may, in its discretion, grant a poverty exemption to a taxpayer who does not meet the income and asset tests contained in these guidelines where one or more of the following has resulted in hardship to the taxpayer:
  - (a) Unforeseen prolonged cessation of income due to circumstances beyond the applicant's control;
  - (b) Trauma or critical illness of the applicant or the applicant's immediate family member which resulted in excessive financial liabilities for which the taxpayer does not receive reimbursement;
  - (c) Catastrophic loss; or
  - (d) Other extenuating circumstances which the Assessor and Board of Review agree are legitimate hardships over which the applicant has no control.
  
8. Amount of Exemption. The Assessor will determine the estimated property tax liability for the applicable tax year and the estimated state homestead credit for each applicant under the Homestead Property Tax Credit, Public Act 281 of 1967. The poverty exemption shall not exceed the amount of the tax liability minus the homestead credit refund.

9. Deviation from the Guidelines. The Board of Review shall follow these 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 guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

**Federal Poverty Guidelines Used in the Determination of  
Poverty exemptions for 2010**

MCL 211.7u, which deals with poverty exemptions, was significantly altered by PA 390 of 1994 and was further amended by PA 620 of 2002.

Local governing bodies are required 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. This means, for example, that the income level for a household of 3 persons **shall not** be set lower than \$18,300 which is the amount shown on the following chart for a family of 3 persons. The income level for a family of 3 persons may be set higher than \$18,300.

Following are the federal poverty guidelines for use in setting poverty exemption guidelines for 2010 assessments.

Size of Family Unit	Poverty Guidelines
1	\$10,800
2	\$14,600
3	\$18,300
4	\$22,100
5	\$25,800
6	\$29,500
7	\$33,300
8	\$37,000

**Note:** PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes. The asset test should calculate a maximum amount permitted and all other assets above that amount should be considered as available.

## Hardship Exemption Application

I, \_\_\_\_\_, being the owner and resident of the property listed below, apply for tax relief under MCL 211.7u of the General Property Tax Act. The real and personal property 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.

Property Code Number: \_\_\_\_\_

Property Description: \_\_\_\_\_

Property address: \_\_\_\_\_

Phone ( ) \_\_\_\_\_ Marital status: \_\_\_\_\_

Age of applicant: \_\_\_\_\_ Age of spouse: \_\_\_\_\_

Number of dependents: \_\_\_\_\_ Age of dependents: \_\_\_\_\_

Have you applied for Homestead Property Tax Credit this year? \_\_\_\_\_

How much was your Property Tax Credit? \_\_\_\_\_

**\*\*Attach copy of 1040 CR and federal or state income tax return for each person residing in the homestead, if filed for the current or preceding year.\*\***

**REAL ESTATE:** Is home paid for? \_\_\_\_\_ Unpaid balance \_\_\_\_\_

Name of mortgage company \_\_\_\_\_ Monthly payment \_\_\_\_\_

How long have you lived at this residence? \_\_\_\_\_

Do you own, or are you buying any other property? \_\_\_\_\_

If so, list below:

Property Address	Name of Owner	Assessed Value	Amount and Date of Last Taxes Paid

Income earned from above property \$ \_\_\_\_\_

Name of employer \_\_\_\_\_

Address \_\_\_\_\_

Phone number ( \_\_\_\_\_ ) \_\_\_\_\_

List all income from salaries, Social Security, rents, pensions, unemployment compensation, disability, government pensions, workers' compensation, dividends, claims and judgments from lawsuits, alimony, child support and any other source.

Source of Income	Monthly or Annual Income

**SAVINGS AND INVESTMENTS:** List all savings owned by you or your spouse, including savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds or similar investment.

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

**LIFE INSURANCE:** List all policies held by you and your spouse.

Insured	Amount of Policy	Amount Paid Monthly	Paid Up Policy	Name of Beneficiary	Relationship to Insured

**MOTOR VEHICLES IN HOUSEHOLD:**

Make	Year	Monthly Payment	Balance Owed


**LIST ALL PERSONS LIVING IN HOUSEHOLD:**

Last Name	First Name	Age	Relationship to Claimant	Place of Employment	Contribution to Family Income

**PERSONAL DEBTS:**

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

**MONTHLY EXPENSES:**

Utilities \_\_\_\_\_ Food \_\_\_\_\_ Phone \_\_\_\_\_  
 \_\_\_\_\_  
 Clothing \_\_\_\_\_ Heat \_\_\_\_\_ Car expense \_\_\_\_\_  
 \_\_\_\_\_  
 Other (specify) \_\_\_\_\_  
 \_\_\_\_\_

**OTHER ASSETS:** List all other assets and their values that are owned or controlled by you.  
 (For example, boats, coin collection, antiques, silver)

Type of Asset	Value	Income Derived from Assets	Owner

**Reason for Exemption Request**

**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:** A copy of your latest federal income tax return, state income tax return (MI-1040) and your Homestead Property Tax Credit claim (MI-1040CR 1, 2, 3 or 4) must be attached as proof of income.

**NOTE:** Do not sign until witnessed by the supervisor, assessor, board of review or notary public.

**STATE OF MICHIGAN  
COUNTY OF**

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\_\_The undersigned, being duly sworn, deposes and says that the statements made in the foregoing application are true and that he/she has no money, income or property other than mentioned herein.

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\_\_\_\_\_  
Petitioner

Subscribed and sworn this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signature:  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Assessor, Supervisor, Board of Review Member or Notary Public  
\_\_\_\_\_

This application shall be filed after January 1, but before the day prior to the last day of board of review.

Address:

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**FOR BOARD OF REVIEW USE**

Disposition by Board of Review

Date \_\_\_\_\_

Denied: \_\_\_\_\_ Approved: \_\_\_\_\_ Assessment  
reduced to: \_\_\_\_\_

Supervisor \_\_\_\_\_ Chairperson

Second Member \_\_\_\_\_ Third Member

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Decisions may be appealed to the Michigan Tax Tribunal.

