

**TOWNSHIP OF LAKE
Huron County, Michigan**

At a regular meeting of the Lake Township Board, Township of Lake, Huron County, Michigan, held on the 15th day of February, 2021 at 6:30 P.M.

Present: Valerie McCallum, Nicole Collins, Clay Kelterborn, Dale Hartsell, James Deming

Absent: None

**RESOLUTION No: 2021 - 2
2021 POVERTY EXEMPTION GUIDELINES**

The following preamble and resolution was offered by Hartsell and supported by Kelterborn:

WHEREAS, the General Property Tax Act, MCL 211.7u, states that 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, a township board is required by MCL 211.7u to adopt guidelines for the poverty exemption; and

WHEREAS, PA 253 of 2020 made several changes to the poverty exemption statute starting with the 2021 tax year;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, as amended by PA 253 of 2020, the Lake Township, Huron County, adopts the following updated 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 (Exhibit A) of the claimant and all persons residing in the household. To be eligible for exemption under this section, a person must do all of the following on an annual basis:

1. Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.
2. File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by 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. Federal and state income tax returns are not required for a person residing in the principal

residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year, and an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return.

3. Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
4. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
5. Meet the federal poverty income guidelines as defined and determined annually by the United States Office of Management and Budget,

WHEREAS, pursuant to PA 390 of 1994, as amended by PA 253 of 2020, Lake Township adopts the following guidelines and policy as provided in Exhibits A and B attached hereto for the 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.

BE IT FURTHER RESOLVED THAT:

1. The Board of Review may request from the applicant any supporting documents that may be utilized in determining a property poverty exemption request; and
2. The completed property poverty exemption application must be filed after January 1, but one (1) day prior to the last day of the Board of Review in the year for which the exemption is sought; and
3. The Board of Review shall follow this Resolution and Lake Township's 2021 guidelines and policy for property tax poverty exemption in granting or denying an exemption, and
4. If a person meets all eligibility requirements in statute, the Board of Review must grant a full exemption equal to a 100% reduction in taxable value OR a partial exemption equal to a 25% or 50% reduction in taxable value OR any other percentage reduction in taxable value approved by the State Tax Commission; and

BE IT FINALLY RESOLVED, that the Board of Trustees rescinds all prior resolutions that are inconsistent with or in conflict with this Resolution; and

That to conform to the provisions of PA 390 of 1994 and PA 253 of 2020, The Poverty Exemption Guidelines (Exhibits A and B) are hereby effective February 16, 2021.

A vote upon the foregoing resolution was taken and the results were as follows:

YEAS: McCallum, Kelterborn, Collins, Hartsell, Deming
NAYS: None

THIS RESOLUTION HAS BEEN DECLARED ADOPTED.

CLERK'S CERTIFICATE

STATE OF MICHIGAN)
) ss:
COUNTY OF HURON)

I, James Deming, the duly appointed and acting Clerk of Lake Township, hereby certify that the foregoing resolution was adopted by the Township Board of said township at the regular meeting of said Board held on February 15, 2021, at which meeting the majority of the members of the Lake Township Board were present and voted in favor of said Resolution.

IN WITNESS WHEREOF, I have set my hand as Clerk this 15th day of February, 2021.

James Deming, Clerk

Exhibit A Income Test

Federal Poverty Guidelines for 2021

Size of Family Unit	Poverty Guidelines
1	\$12,760
2	\$17,240
3	\$21,720
4	\$26,200
5	\$30,680
6	\$35,160
7	\$39,640
8	\$44,120
For each additional person	\$4,480

The income guidelines above include the income of the person claiming the exemption and anyone else who is living at or contributing to the claimant's household. Income includes:

- Money, wages and salaries before any deductions, regular contributions from persons not living in the residence;
- Net receipts from non-farm or farm self-employment (receipts from a person's own business, professional enterprise or partnership after business expense deductions);
- Regular payments from social security, railroad retirement, unemployment, workers' compensation, veterans' payments, public assistance, supplemental security income (SSI);
- Alimony, child support and military family allotments;
- Private and governmental retirement and disability pensions, regular insurance or annuity payments;
- College or university scholarships, grants, fellowships and assistantships;
- Dividends, interest, net income from rentals, royalties, estates, trusts, gambling or lottery winnings;

EXHIBIT B
Poverty Exemption Guidelines

As required by PA 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit **SHALL** also include an asset level test. The following asset test shall apply to all applications for poverty exemption.

- 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 assessment.

All asset information, as requested in the Application for Poverty Exemption must be completed in total. 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
- IRA’s and other investment accounts
- Pensions
- Money received from the sale of property such as stocks, bonds, a house or a car unless a person is in the specific business of selling such property.

In addition, total assets may also include but are not limited to:

- A second home
- Excess or vacant land
- Rental property
- Extraordinary automobiles
- Recreational vehicles*
- Buildings other than the residence
- Equipment
- Other personal property of value

**Recreational vehicles include snowmobiles, boats, camping trailers, travel trailers, motor homes, Jet skis, motorcycles, off road vehicles, or anything else which may be considered a Recreational vehicle.*