

Lake Township Policy and Guidelines for Ad Valorem Property Tax Exemptions

Pursuant to the Michigan General Property Tax laws, specifically MCL 211.7, and Lake Township, the Assessor is responsible for completing the annual assessment roll and determining the properties subject to taxation. As part of this duty, the Township Assessor grants or denies exemption requests. The burden of proving an exemption lies with the party claiming the exemption, not the taxing authority and tax exemptions are to be strictly construed in favor of the government.

PLEASE NOTE:

1. An organization does not qualify for a property tax exemption just because it is structured to be a nonprofit organization.
2. An organization's income tax status does not affect or predetermine the taxable status of its property under the Michigan General Property Tax law.
3. The exemption claimant must meet certain criteria to be eligible for a property tax exemption under Michigan law.
4. While a 501(c)(3) ruling from the Internal Revenue Service may indicate an organization is charitable, religious, scientific or educational, it does not by itself determine eligibility for a property tax exemption.

If an organization owning real property believes the organization is eligible for a property tax exemption under Michigan law, the organization must apply for the exemption no later than February 15th in the year that the organization wishes to be considered for the exemption. To qualify for the exemption, the exemption applicant must own and occupy the property as of December 31st prior to the year the exemption applicant wants to be exempt. Applications submitted for prior years are not within the jurisdiction of the Assessor. The Assessor will use the following test to determine eligibility:

1. The real estate must be owned and occupied by the exemption applicant.
2. The exemption applicant must be a nonprofit charitable institution.
3. The exemption applicant must have been incorporated under the laws of this state or any other state in the U.S.
4. The exemption exists only when the buildings or other property thereon are occupied by the exemption applicant solely for the purposes for which it was incorporated, or as further limited by the applicable statute.

In reviewing exemption requests, the Assessor considers Michigan law and court decisions. The Assessor may consult with the Township's attorney for advice about exemption issues. The review process also requires that the Assessor be allowed by the exemption applicant to conduct a physical inspection of the property.

The Assessor will issue the decision in writing in January, February or March of the tax year in which the exemption is requested. If the Assessor denies the exemption request, the exemption applicant may appeal the Assessor's decision to the March Board of Review (for the current year only) which will preserve the right to appeal further to the Michigan Tax Tribunal.

The Assessor is required to review all exempt properties on an annual basis. As a result, organizations that are exempt from property taxes may periodically be requested to file an updated exemption application. Failure to file an updated exemption application when requested may jeopardize the continuation of the exemption.

APPLICATION PROCESS

1. All exemption applicants must complete the *Application for Exemption from Property Taxes* from Lake Township (*or Assessor*). Applications will be accepted after January 1, through February 15th.
2. In addition to a completed application, the exemption applicant must also provide a copy of the following documentation:
 - a. Articles of Incorporation
 - b. By-Laws
 - c. Instrument by which property was acquired (Warranty Deed, Quit Claim Deed, Land Contract or Bill of Sale)
 - d. Any pamphlet, other information, or literature describing the functions of the organization
 - e. Previous three (3) years Income Tax filings including 990 forms
3. The exemption claimant will be notified, in writing, of the Assessor's decision.
4. The exemption claimant may appeal a denial by the Assessor to the March Board of Review.
5. The exemption claimant may appeal a denial by the March Board of Review to the Michigan Tax Tribunal.

Our policies are set by State of Michigan law and court decisions and not by the Township Board. We will use these criteria to determine your tax status. If you have any questions, please feel free to contact the Township Assessor.

Application:

Name of Organization: _____

Address of Property: _____

Parcel No (from Assessment notice of tax bill): 3252-_____

Legal Description (if application is for less than the entire parcel): _____

Officers: _____ Title: _____

Under what section(s) of the Michigan General Property Tax Act 211.7 are your requesting exemption? (Note: Internal Revenue Code Sec. 501(c)3 is NOT a property tax exemption law but rather deals with exemption from Federal Income Tax.):

Please state the reason you are applying for this exemption: _____

Are you currently receiving a property tax exemption in another Michigan Township or Township? Yes _____ No _____

If Yes, where and what type of exemption is being received? _____

List all occupant(s) of this property:

List all uses of this property and percentage of each:

_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
	Total 100 %

Do you rent or lease any part of this property? Yes _____ No _____

If yes, explain: _____

Please explain (in detail) the activities that will take place at this location or the services that you will provide:

Will anyone be charged a fee for services provided? Yes _____ No _____

If yes, please provide a copy of the fee schedule for your services. Do you have a sliding fee schedule based on income?

What happens if a person seeking your services has no way of paying? _____

What are your sources of income? _____

Please attached a copy of your annual budget.

Is the property generally available to the general public? _____

Are your services available to anyone? _____

This application is for exemption beginning with year 20 _____.

Please enclose the following documents with this application. (All information is required).

1. Articles of Incorporation
2. IRS Statement indicating status
3. By Laws
4. Governmental approval/certification (if applicable) to operate for stated purpose
5. Most recently completed income tax filings including 990 forms
6. Budget documents

Signature/Title

Phone # Email

Date

For Office Use Only:

Approved: Yes _____ No _____

If denied, reason for denial:

Assessor signature

Date