

POVERTY EXEMPTION POLICY AND GUIDELINES
RESOLUTION NO. 2022-01

WHEREAS, the principal residence of persons who the board of review determines by reason of poverty to be unable to contribute to the public charge is eligible for exemption in whole or in part from taxation under Public Act 253 of 2020; and

WHEREAS, Public Act 253 of 2020 requires that the City Commission adopt guidelines to be followed by the board of review when considering such poverty exemptions;

NOW THEREFORE BE IT RESOLVED, that pursuant to PA 253 of 2020, the City Commission of the City of Onaway adopts the following guidelines that the City of Onaway Board of Review shall follow in granting or denying an exemption:

POVERTY EXEMPTION POLICY AND GUIDELINES

The following policy and guidelines, adopted by the City Commission of the City of Onaway, shall be followed by the City of Onaway Board of Review when considering poverty exemptions according to PA 253 of 2020.

APPLICATION GUIDELINES

To be eligible for a Poverty Exemption in the City of Onaway:

- 1) The applicant must own and occupy the property as his/her principal residence and satisfy all requirements of PA 253 of 2020.
- 2) The applicant must file Form 5737 (Application for MCL 211.7u Poverty Exemption) and Form 5739 (Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty).
- 3) Provide copies of federal and state income tax forms for current and immediately preceding year, including tax credits, for all persons residing in the principal residence. If applicable, Michigan Treasury Form 4988 maybe filed if income tax filing not required.
- 4) The Income Test and Asset Test, both included herein, will be used by the Board of Review in its consideration of the poverty exemption application. The Board of Review will review all applications and determine whether the applicant is eligible for a 100%, 50% or 25% reduction in taxable value.

INCOME TEST

- 1) Meet federal poverty guidelines published in the prior year in the Federal Register by the United States Department of Health and Human Services.

ASSET TEST

Eligible applicants must meet the following criteria to pass the asset test required for consideration of a poverty exemption:

- 1) Disposable assets of less than \$5000 excluding principal residence and furnishings, and personal vehicles.
- 2) An applicant cannot have an ownership stake in property other than his/her principal residence.

EVALUATION PROCEDURES

- 1) The Board of Review shall follow the above policy and guidelines in all instances when making poverty exemption decisions.
- 2) The applicant should be prepared to answer questions relevant to the exemption request.
- 3) All information provided by the applicant is subject to verification and may be asked to show proof of identity and ownership of property.

Motion was made by Marsh, second by Benson to adopt Resolution 2022-01 for the Poverty Exemption as presented. MOTION CARRIED.