

TOWNSHIP OF WELLS
Tuscola County, Michigan
POVERTY EXEMPTION GUIDELINES
Resolution 24-08

WHEREAS, the adoption of guidelines for poverty exemptions is required of the township board; and

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 390 of 1994 (MCL 211.7u amended by Public Act 253 of 2020 MCL 211.7u(5)); and

WHEREAS, pursuant to PA 390 of 1994, the Township of Wells, Tuscola County adopts the following guidelines and asset levels of the applicant and all persons residing in the household.

FILING FOR THE POVERTY EXEMPTION

In order to be considered complete, the Application for MCL 211.7u Poverty Exemption MUST: 1) be completed in its entirety (if a question does not apply to you enter N/A for non-applicable), 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application and this Poverty Exemption Guidelines Resolution. Please write legibly and attach additional pages as necessary.

An Applicant **MUST** do all the following on an annual basis to apply for a poverty exemption:

- 1) Own and occupy the property for which the exemption is requested.
- 1) File a complete and accurate Poverty Exemption application and all requested documents with the Township Assessor or Township Board of Review after January 1, but before the start of the Board of Review meeting in December.
- 2) Copy of Applicants and all adult occupants residing in household driver's license or State of Michigan ID.
- 3) Provide proof of household income by submitting a complete, signed copy of items listed under the income 'Documentation Checklist' below for all occupants of the home.
- 4) Provide all other income verification and a list of all assets for all occupants of the home. Income and assets include, but not limited to, the income and assets listed under the 'Documentation Checklist' below.
- 5) Provide copies of expenses from the listed household expenses under the 'Documentation Checklist' below.
- 6) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- 7) Meet the Federal Poverty Income Guidelines as defined and determined annually by the United States Department of Health and Human Services, or alternative guidelines adopted by Wells Township providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.
- 8) Meet Wells Township Maximum Asset standards.

DOCUMENTATION CHECKLIST

Copies of the following documents **are required** as applicable for all persons living in the home when applying for a poverty exemption.

Identification:

- Driver's license or State of Michigan ID

Proof of Income: (income includes but not limited to following sources)

- Most recent Federal (1040) and State (MI-1040) income tax returns with attachments. Note-P. A. 135 of 2012 allows for an affidavit (Treasury Form 4988) to be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediately preceding year. This does include the owner of the property who is filing for the exemption.
- Social Security benefit award letter for previous year (if lost, call 800-772-1213)
- Supplemental Security income (SSI) and/or Disability income.
- Veterans Benefits statement and military family allotments.
- Michigan Department of Human Services benefits, including the Family Independence Plan (FIP), and Cash Assistance
- Income from employment before deductions.
- Government, employment, and/or private pensions and disability pensions, railroad retirement.
- Regular insurance or annuity payments.
- Union Claims, union strike benefits, and lawsuits.
- Profit and Loss statement for the previous calendar year, if self-employed.
- Worker's compensation and unemployment benefits
- Dividends, interest, and net income from renters/rentals, royalties, estates, trusts, gambling or lottery winnings.
- Income from boarders.
- Non-farm or farm self-employment (receipts from a person's own business, professional enterprise, or partnership, after business expense deductions).
- Alimony and child support.
- Support/contributions from family members or someone not living in the household.
- Documentation of college or university scholarships, grants, fellowships, and assistantships.

Household expenses:

- Mortgage payment or lease statements for the past 12 months.
- Homeowner's insurance for the past 12 months.
- Heat, electric, satellite/cable, internet, phone bills for past 12 months (if lost, call local utility company)
- Emergency household repairs.
- Vehicle payment book or payment statements for past 12 months including title, proof of insurance and registration.
- Credit card statements.

Assets:

- Bank and/or credit union statements for all savings, checking draft, and money market accounts or shared accounts within 30 days and all statements for the past 12 months.
- Un-cashed checks, drafts, and warrants.
- Certificates of Deposit: statement from financial institution or the certificate itself.
- Money held by others: written statement from person holding funds.
- Withdrawals of bank deposits and borrowed money for past 12 months.
- Gifts, loans, lump-sum inheritances, and one-time insurance payments.
- Gaming/lottery winnings.
- Money received from the sale of property such as stocks, bonds, house, car, boat, real estate, etc.
- Stocks, bonds: written statement from broker or company.
- Lump sum and accumulated benefits.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.

Assets Continued:

- All vehicles including cars, trucks, snowmobiles, ATV's, motorhomes, campers, boats, farm equipment, motorcycles, trailers, etc.-provide title, proof of insurance, and registration.
- Real estate including a second home and/or property other than the principal residence-provide property tax assessment or certified statement of value or county records.
- More than ten (10) acres as part of the primary residence if it can be legally split according to the Michigan Land Division Act and the Wells Township Zoning Ordinance. After subsequent years of filing for Poverty Exemptions, Wells Township Board of Review will consider a split and sale of property.
- Equipment, other personal property of value, and buildings other than the principal residence-this includes equipment and buildings on and off principal residence property.
- Most recent pension and/or Individual Retirement account (IRA) statement and all statements for the past 12 months for all accounts.
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches.
- Documentation of other assets of value: jewelry, antiques, artworks equipment, etc.

These are not an exhaustive lists. Further documentation may be requested at the discretion of the Board of Review.

For poverty exemption, taxes may be reduced by 25, 50, 75 or 100% depending on total income and value of assets of all those living in the household. For the purpose of this application, the household assets do not include the value of the home and one (1) operating/license vehicle per license driver used for daily needs.

FEDERAL POVERTY GUIDELINES FOR 2024 ASSESSMENTS

<u>Number of Persons residing In the Principal Residence</u>	<u>Poverty Guidelines Annual allowable income</u>
1 person	\$14,580
2 persons	\$19,720
3 persons	\$24,860
4 persons	\$30,000
5 persons	\$35,140
6 persons	\$40,280
7 persons	\$45,420
8 persons	\$50,560
Each additional person, add	\$5,140

ASSET LEVEL TEST

The purpose of an asset test is to determine the resources available: cash, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. Below is the guidelines Wells Township has set up under 211.7u(5).

- At poverty level plus 2 times poverty level in assets: 100%
- At poverty level and between 2 and 3 times poverty level in assets: 75%
- At poverty level and between 3 and 4 times poverty level in assets: 50%
- At poverty level and between 4 and 5 times poverty level in assets: 25%
- At poverty level and 5 times poverty level in assets: 0%

2024 Example of asset test: 1 person household allowable income 14,580. Assets allowed (2 times poverty level=29,160) = 100% reduction
Assets between 29,161 and 43,739= 75% reduction
Assets between 43,740 and 58,319=50% reduction
Assets between 58,320 and 72,899=25% reduction
Assets at 72,900 and above=0% reduction

SUMMARY

In conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for the Township of Wells takes this task seriously and attempts to provide relief to all deserving residents within the township.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the Board of Review shall follow the above stated policy and federal guidelines in granting in full, granting in partial or denying an exemption.

The foregoing resolution offered by Township Board member Karen Varney

And supported by Township Board member Jason Koehler

Upon a roll call vote, the following voted:

Karen Varney-Yes
Terrie Flikkie-Yes

Bonnie Hergenreder-Yes
Jason Koehler-Yes

Stefanie Bruce-Yes

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Township Board of Wells Township at a regular meeting held on the 9th day of May, 2024.

Signature on Official Record: Bonnie Hergenreder, Clerk

Date: May 9, 2024

*The Township of Wells does encourage applicants to apply for a home heating credit through the State of Michigan.