



**CITY COUNCIL
CITY OF CEDAR SPRINGS
Kent County, Michigan**

Councilmember **Conley**, supported by Councilmember **Gross**, moved the adoption of the following resolution:

RESOLUTION NO. 2018 – 30

A RESOLUTION TO APPROVE POLICY & GUIDELINES FOR USE BY THE BOARD OF REVIEW FOR GRANTING POVERTY EXEMPTIONS FOR TAX YEAR 2019

WHEREAS, Act No. 390 of the Public Acts of Michigan of 1994 (effective for all 1995 assessments), requires the governing body of the assessment unit to determine the policy and guidelines for granting hardship exemptions; and

WHEREAS, said Act, as implemented by the State Tax Commission (STC Bulletin NO.11, November 29, 2006), imposes requirements of and limitations to any policy and guidelines, and

WHEREAS, the City of Cedar Springs Council desires to comply with said Act and said State Tax Commission bulletin;

NOW, THEREFORE, BE IT RESOLVED, that the following policy and guidelines are hereby adopted and shall be followed by the City of Cedar Springs Assessor and Board of Review Members in granting any poverty exemptions, 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 these are communicated in writing to the claimant.

YEAS: Councilmembers: Atchison, Conley, Gross, Nixon, Powell, Race, and Hall

NAYS: Councilmembers: None

ABSTAIN: Councilmembers: None

ABSENT: Councilmembers: None

RESOLUTION 2018 – 30

Dated: December 13, 2018

Rebecca Johnson, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Cedar Springs at a Regular Meeting held on December 13, 2018 and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: December 13, 2018

Rebecca Johnson, City Clerk



POVERTY EXEMPTION GUIDELINES FOR THE CITY OF CEDAR SPRINGS

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) \$8,000 for the claimant;
 - (ii) \$12,000 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 deposit, savings accounts, checking accounts, stocks, bonds, and retirement funds. Assets do 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 owned by the applicant.

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

3. Application. To apply for the poverty exemption, a person shall do all of the following on an annual basis:

- (a) File a Poverty 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 Board of Review.

5. Appearance before the Board of Review. The applicant or an authorized 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 applicants home before the Board at a meeting that is open to and may 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 be giving on your own behalf before the Board of Review is the truth, the whole truth, and nothing but the truth?"

- (d) The Assessor may tape record and shall 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 authorized 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 other 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 or Board of Review in 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) The poverty exemption, if granted, shall remain in effect for one year. An applicant's eligibility for the poverty exemption shall be re-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 an 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 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 substantial and compelling reasons are communicated in writing to the claimant.