

## ALLENDALE CHARTER TOWNSHIP POVERTY EXEMPTION GUIDELINES

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 are 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 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.
  - C. Total assets, except the homestead being claimed, essential household goods, and motor vehicles should not exceed the annually updated Federal poverty guidelines

Assets include, but are not limited to real estate other than the principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, 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 owed by the applicant.

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

3. Application. To apply for the poverty exemption, a person shall do all of the following on an annual basis:
  - A. File a Hardship Exemption Application with the Assessor or the 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 arrangement 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.

An affidavit (Treasury Form 4988) is 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.

- 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 the Board of Review.
5. Appearance before the Board of Review. The applicant, or a representative of the applicant, will be required to appear before the Board of Review to respond to any questions that the Board of Review or Assessor may have concerning the exemption application.
- A. An applicant may be called to appear before the Board of Review 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 applicant's home before the Board of Review at a meeting that is open to and will be attended by the public.
  - C. Applicants appearing before the Board of Review may be administered an oath as follows:

"Do you swear and affirm that the evidence and testimony you will give in your own behalf before the Board of Review is the truth, the whole truth, and nothing but the truth, so help you?"
  - D. The Assessor may tape record and will keep minutes of all proceedings before the Board of Review.
  - E. If called to appear before the Board of Review, 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 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 of Review from any 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. A poverty exemption, if granted, shall remain in effect for one year and an applicant's eligibility for the poverty exemption shall be 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 a poverty 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 the 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.
  - 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, PA 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 the substantial and compelling reasons are communicated in writing to the claimant.

#### Exhibit A

In addition to meeting the federal poverty guidelines: the applicant must meet the Asset Level test. Household assets cannot exceed Seven Thousand, Five Hundred Dollars (\$7,500). Household assets include but are not limited to automobiles, furniture, appliances, stocks, bonds, mutual funds, bank accounts, pensions, and inheritance.

Size of Family Unit	Poverty Guidelines
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For each additional person	\$4,720

## Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1993; MCL 211.7u.

**INSTRUCTIONS:** When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, \_\_\_\_\_, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Person Making Affidavit

\_\_\_\_\_  
Date

Allendale Charter Township  
Poverty Exemption Application

I, \_\_\_\_\_, being the owner and resident of the property listed below, apply for tax relief under MCL 211.7u of the General Property Tax Act. The real and personal property of persons who, in the judgment of the Assessor and 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 under this act.

Parcel Number \_\_\_\_\_

Property Address \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Marital Status \_\_\_\_\_

Age of Applicant \_\_\_\_\_ Age of Spouse \_\_\_\_\_

Number of Dependents \_\_\_\_\_ Age of Dependents \_\_\_\_\_

**\*\* Attached a copy of 1040 CR (Homestead Credit) and federal or state income tax return for each person residing in the homestead, if filed for the current or preceding year \*\***

Real Estate: Is home paid for? \_\_\_\_\_ Unpaid Balance \_\_\_\_\_

Name of Mortgage Company \_\_\_\_\_

Monthly Payment \_\_\_\_\_

How long have you lived at this residence? \_\_\_\_\_

Do you own, or are you buying any other property? \_\_\_\_\_

If so, list below:

Property Address	Name of Owner	Assessed Value	Amount and Date of Last Taxes Paid

Income earned from above property? \_\_\_\_\_

Income:

Name of Employer \_\_\_\_\_

Address \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_

**List all income** from salaries, Social Security, rents, pensions, unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, and any other source, including regular, recurrent payments from non-household members. Periodic payments from non-household members do not include sporadic payments or gifts.

Source on Income	Monthly or Annual Income

**Savings and Investments:** List all savings owned by you or your spouse, including savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments.

Name of Financial Institution or Investments	Amount on Deposit	Current Interest Rate	Name on Account	Value of Investment

**Life Insurance:** List all policies held by you and your spouse.

Insured	Amount of Policy	Paid Up Policy	Name of Beneficiary	Relationship to Insured

**Motor Vehicles in Household:**

Make	Year	Monthly Payment	Balance Owed

**List all Persons Living in Household:**

Last Name	First Name	Age	Relationship to Claimant	Place of Employment	Contribution to Family Income

**Personal Liabilities:**

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Balance	Balance Owed

**Monthly Expenses:**

Utilities: Electricity \_\_\_\_\_ Natural Gas \_\_\_\_\_ Telephone \_\_\_\_\_  
 Food \_\_\_\_\_ Clothing \_\_\_\_\_ Car expenses \_\_\_\_\_  
 Other (specify) \_\_\_\_\_

**Other Assets:** List all other assets and their values that are owned and controlled by you.

Type of Asset	Value	Income Derived from Asset	Owner



**NOTICE:** Any willful misstatements or misrepresentations made on this form may constitute perjury, which, under the law, is a felony punishable by fine or imprisonment.

**NOTICE:** A copy of your latest income tax return, state income tax return (MI-1040) and your Homestead Property Tax Credit claim (MI-1040CR 1, 2, 3, or 4) or Treasury Form 4988 must be attached as proof of income.

**NOTE:** Do not sign until witnessed by the Assessor, Board of Review, or Notary Public.

**STATE OF MICHIGAN  
COUNTY OF OTTAWA**

The undersigned, being duly sworn, deposes and says that the statements made in the foregoing application are true and that he/she has no money, income, or property other than mentioned herein.

\_\_\_\_\_  
Petitioner's signature(s)

\_\_\_\_\_  
Petitioner's signature(s)

Subscribed and sworn this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Signature: Assessor, Board of Review Member, or Notary Public

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This application shall be filed after January 1, but before the day prior to the last day of the Board of Review. Decisions regarding this application can be appealed to the Michigan Tax Tribunal.

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**FOR BOARD OF REVIEW USE ONLY**

Parcel Number \_\_\_\_\_

Address \_\_\_\_\_

Disposition by Board of Review \_\_\_\_\_

Date \_\_\_\_\_

Denied: \_\_\_\_\_ Approved: \_\_\_\_\_

Assessment reduced to: \_\_\_\_\_

Chairperson \_\_\_\_\_

Second  
Member \_\_\_\_\_

Third  
Member \_\_\_\_\_

Secretary \_\_\_\_\_