

COVERT TOWNSHIP

Resolution 2021 - 01

Adopt Poverty Exemption Income Guidelines and Asset Test

WHEREAS, the General Property Tax Act, MCL 211.7u, states that the homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under the General Property Tax Act; and

WHEREAS, a township board is required by MCL 211.7u to adopt guidelines for the poverty exemption;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that Covert Township, Van Buren County, adopts the following guidelines for the supervisor and board of review to implement.

The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household.

To be eligible for exemption under this section, a person must do all of the following on an annual basis:

1. Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.
2. File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by 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. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year, and an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return.
3. Produce a valid driver license or other form of identification if requested by the supervisor or board of review.
4. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
5. Meet the current poverty income guidelines adopted by the township board.

<u># of persons residing in home</u>	<u>Annual allowable income</u>
1 person.....	\$15,300.00
2 persons.....	\$19,300.00
3 persons.....	\$23,400.00
4 persons.....	\$27,400.00
5 persons.....	\$31,400.00
6 persons.....	\$35,500.00
7 persons.....	\$40,500.00
8 persons.....	\$44,500.00
For each additional person, add	\$ 4,500.00

6. Meet additional eligibility requirements as determined by the township board, including:

Asset Test

- a. The value of property in excess of what is considered part of the original homestead (principal resident) shall be considered an asset.
- b. The True Cash Value of the property for which the poverty exemption is requested shall be a consideration by the Board of Review when determining hardship.
- c. Assets included, but not limited to: real estate other than principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc. For purposes of this paragraph, the Board of Review shall consider the value of the assets, or indebtedness otherwise owed by the applicant(s).
- d. Assets, (except the original principal residence, essential household goods and the first \$5,000 of market value of a motor vehicle), shall not exceed \$4,000 for individual applicant and/or \$6,000 per household if more than one financial contributor.
- e. Only own one parcel of property, that being the primary residence that the property exemption is being applied for.

BE IT ALSO RESOLVED that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by Board Member Taylor and supported by Board Member Harrington.

Upon roll call vote, the following voted "Aye:" "Nay:"

PalgenAye
BarnesAye
RoseAye
HarringtonAye
TaylorAye

The Supervisor declared the resolution adopted February 9, 2021.



Naomi Barnes
Covert Township Clerk

I, Naomi Barnes, the duly elected and acting Clerk of Covert Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on February 9, 2021 , at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.



Naomi Barnes
Covert Township Clerk