



RESOLUTION 2024-01

Council Member Burns, supported by Council Member Black, moved to adopt the following resolution:

RESOLUTION ADOPTING POVERTY INCOME GUIDELINES FOR ADMINISTRATION OF THE POVERTY EXEMPTION FROM PROPERTY TAXES FOR 2024

WHEREAS, the adoption of guidelines for poverty exemptions is required by state law; and

WHEREAS, the principal residence of persons, who the City Assessor and Board of Review determine 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 MCL 211.7u; and

NOW THEREFORE, LET IT BE RESOLVED THAT that the City Assessor and Board of Review shall follow the Federal Poverty Guidelines Used in Determination of Poverty Exemptions for 2024, which are adopted by the City Council:

2024 POVERTY INCOME GUIDELINES

Size of Family Unit	Household Income
1	\$14,580
2	\$19,720
3	\$24,860
4	\$30,000
5	\$35,140
6	\$40,280
7	\$45,420
8	\$50,560
For each additional person	\$5,140

Yeas: 7 Nays: 0 Abstain: 0 Absent: 0

Resolution adopted by Newaygo City Council at a regular meeting on January 8, 2024.

Ed Fedell
Ed Fedell – Mayor

Kim Goodin
Kim Goodin – Clerk



RESOLUTION 2024-02

Council Member Black, supported by Council Member Burns, moved to adopt the following resolution:

RESOLUTION ESTABLISHING GUIDELINES FOR GRANTING OF POVERTY EXEMPTIONS FROM PROPERTY TAXES

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City Council; and

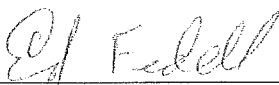
WHEREAS, the principal residence of persons, who the Board of Review determines by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

WHEREAS, pursuant to P.A. 390 of 1994, the City of Newaygo, Newaygo County adopts the following guidelines for the 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, including any property tax credit returns, filed in the current or immediately preceding year;

NOW THEREFORE, LET IT BE RESOLVED, that the Newaygo City Council hereby confirms that to be eligible, a person shall do all of the following (see attachment *Policy and Guidelines for Applicants Requesting Poverty Exemptions*) on an annual basis.

Yeas: 7 Nays: 0 Abstain: 0 Absent: 0

Resolution adopted by Newaygo City Council at a regular meeting on January 8, 2024.



Ed Fedell – Mayor



Kim Goodin – Clerk



POLICY AND GUIDELINES FOR APPLICANTS REQUESTING POVERTY EXEMPTIONS

MCL 211.7u, as amended, provides that:

- (1) Homesteads of persons who, in the judgement of the Board of Review, by reason of poverty, are unable to contribute towards the public charges are eligible for exemption in whole or in part from taxation under the General Property Tax Act.

The following policy and guidelines have been adopted by the City of Newaygo City Council to govern the granting of poverty exemptions:

APPLICATION PROCEDURE

1. **Eligibility and Application:** To be eligible for a hardship or poverty exemption that applicant must be both the property owner and taxpayer. Application cannot be a corporation, trust or other business entity and must do all the following on an annual basis:
 - a. Be an owner of and occupy as a homestead that property for which an exemption from property taxes is requested. "Homestead" means that term as defined in section 508 of the Michigan Income Tax Act, being MCL 206.508, as amended.
 - b. File with the City Assessor a completed Poverty Exemption Application (Form 5737 *Application for MCL 211.7u Poverty Exemption*) provided by the Assessor's office. APPLICATION MUST BE ACCOMPANIED BY FEDERAL AND STATE INCOME TAX RETURNS FOR ALL PERSONS RESIDING IN THE HOMESTEAD, INCLUDING ANY PROPERTY TAX CREDIT RETURNS, filed in the immediately preceding year and 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. Instead, Form 4988, *Poverty Exemption Affidavit* may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year.
 - c. Produce a valid driver's license or other acceptable form of identification if requested by the Assessor or Board of Review.
2. **Filing period and Appearance:** Fully completed Poverty Exemption Applications with required supporting information will be accepted until one week prior to the last meeting of the Board of Review. All poverty applications will be heard at the Board of Review. The filing of a completed application with required supporting documentation shall constitute an appearance before the Board of Review for the purpose of preserving the applicant's right to further appeal the decision of the Board of Review to the Michigan Tax Tribunal.

EVALUATION PROCEDURE

1. Meetings: Meetings of the Board of Review relative to Poverty Exemption applications shall be held in compliance with the Michigan Open Meetings Act.
2. Applicant's Presence: The Board of Review may request an applicant to personally appear before the Board of Review to respond to any questions the Board of Review or Assessor may have.
3. Investigation: Applicants for Poverty Exemption may be investigated by the City of Newaygo to verify information submitted or statements made to the Board of Review or Assessor.
4. Oath: Applicants appearing before the Board of Review may be administered an oath affirming that the information submitted; both written and verbal is the truth.
5. Criteria for Determining Exemption: The Board of Review shall consider the following three (3) criteria to determine whether a poverty exemption shall be granted:
 - a. Income: The total income of the applicants and each member of the applicant's household shall not exceed the income standards as adopted by resolution of the City of Newaygo City Council to be the Federal Poverty Income Guidelines which are determined annually by the United States Department of Health and Human Services. Income levels SHALL NOT BE SET LOWER than the Federal Poverty Income Guidelines.
 - b. Assets: The Value of the Homestead will not be included when determining the assets of the applicant. The assets of the applicant and each member of the applicant's household shall be examined to determine whether the assets could be reasonably invested, sold or used to pay the property taxes. The City of Newaygo's maximum cumulative value of assets allowed for a Poverty Exemption shall be \$10,000.
 - c. Contribution from Other Sources: If the Board of Review determines the applicant receives contribution toward taxes from other sources, such as a trust, inheritance, co-owner, relative, dependent, friend or occupant of the homestead, the Board of Review may consider the amount of such contributions as an addition to the applicant's income. If the resulting sum exceeds the Income Guidelines as adopted by the City of Newaygo Council then a hardship or poverty exemption shall be denied.
6. Granting of Exemption: If the applicant's:
 - a. Total household income from all sources does not exceed the Income Guidelines adopted by the City of Newaygo Council; and
 - b. Does not have assets which can reasonable be invested, sold or used to pay the property taxes; and
 - c. Does not receive or reasonably expect to receive a contribution toward taxes from other sources, the Board of Review may reduce the taxable value of the subject property and tax liability of the taxpayer.
7. Deviation from Poverty Policy and Guidelines: The Board of Review shall follow the Policy and Guidelines as set forth herein for granting or denying Poverty Exemptions.

2024 POVERTY INCOME GUIDELINES

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ASSET TEST

The City of Newaygo's cumulative value of assets allowed for a Poverty Exemption shall be \$10,000. 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. A list of "assets" includes, but is not limited to:

- A second home, land, vehicles
- Recreation vehicles such as campers, motor-homes, boats and ATV's
- Buildings other than the residence
- Jewelry, antiques, artwork
- Equipment, other personal property of value
- Bank accounts (over \$1,000), stocks
- Money received from the sale of property, such as stocks, bonds, a house or car (unless a person is in the specific business of selling such property)
- Withdrawals from bank deposits and borrowed money (including reverse mortgage's)
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps and school lunches

"Assets" do not include the value of the principal residence and do not include the homestead property tax credit as it is not to be considered income for poverty exemptions purposes. Assets exempt from consideration are the homesteaded property with furnishings, bank accounts up to \$1,000 and one motor vehicle. That motor vehicle shall be valued no greater than \$10,000.