

OFFICE USE ONLY (Date Stamp)

City of Berkley

2024

Poverty/Hardship Exemption Application

OFFICE USE ONLY

NAME:

PARCEL NUMBER:

RESOLUTION

Of the Council of the City of Berkley, Michigan
Establishing the Policy and Guidelines for
Granting an Exemption from Payment of
Property Taxes

WHEREAS: Public Act 390 of 1994, as requires that the governing body of each city and township determine and make available to the public the policy and guidelines the Board of Review utilizes in granting reductions in property assessments due to limited income and assets, referred to as "Poverty Exemptions."

WHEREAS: Public Act 253 of 2020 amended MCL 211.7u related to Poverty Exemptions in the State of Michigan was adopted into law on December 23, 2020.

WHEREAS: It is the intent of the City Council to adopt guidelines in compliance with both of the acts.

NOW THEREFORE, THE BERKLEY CITY COUNCIL RESOLVES:

SECTION 1: To be eligible for a poverty exemption, a person shall do all of the following on an annual basis:

1. Be an owner of, and occupy as a principal residence, the property for which an exemption is requested.
2. The subject property must be classified as a single-family residential parcel or residential condominium property with a valid homeowner's Principal Residence Exemption (PRE) currently in effect.
3. File a completed application with the Board of Review on a form provided by the city. All supporting documentation must be included.
4. Submit the most recent year's copies of the following:
 - a. Federal and State of Michigan Income Tax Returns for all individuals residing in the homestead.
 - b. Most recent Homestead Property Tax Form MI-1040CR-1 (attached to the most current State Income Tax Return).
 - c. Statement from Social Security Administration and/or the Michigan Social Services as to monies paid to applicant(s) during the previous calendar year along with a current Form 4988 Poverty Exemption Affidavit if this is the sole source of income.
5. Produce a copy of the applicant's valid driver's license or other form of identification such as a passport or State Identification Card.
6. Produce a copy of the deed, land contract or other evidence of parcel ownership of all real property owned by the applicant if requested by the Board of Review.

SECTION 2: The Board of Review can request any other additional information including additional tax returns, financial statements, land contracts, personal or family trust documents, vehicle titles and any other record or affidavits that the Board may deem necessary in order to make a poverty exemption determination, asset limit determination or income level determination.

SECTION 3: Poverty exemption applications must be filed after January 1st , but before the day prior to the last day of the Board of Review.

SECTION 4: The Board of Review shall follow the policy and guidelines set forth above when granting or denying poverty exemptions requests. The same standards shall apply to each taxpayer within the city claiming the poverty exemption for the assessment year.

SECTION 5: If all items requested are received, reviewed, and approved by the Board of Review and a determination is made that the poverty exemption application meets the established guidelines for household income level and household assets will result in a partial exemption for all approved applicants of 50% of taxable value.

SECTION 6: The applicant's total household income cannot exceed the most current Federal Poverty Guidelines from the prior tax year, set forth by the U.S. Department of Health and Human Services as established by the State Tax Commission-to be updated annually.

SECTION 7: A poverty exemption shall not be granted to any applicant whose assets exceed \$35,000. An applicant's homestead and principal vehicle shall be excluded from consideration as an asset. All other property, including property owned by all other persons residing in the household, shall be included as an asset. Property shall include, but is not limited to: cash, savings, stocks, mutual funds, insurance commodities, coin collections, art, motor vehicles, recreation vehicles, etc.

SECTION 8: Any reduction in the State Equalized Value of a property is granted for one year only and must be applied for and reviewed annually based on the applicant's current situation.

SECTION 9: All Notices of Assessment Change and all advertisements of the Board of Review meetings are to include a statement that the resident taxpayer may protest the property assessment, in writing, to the Board of Review.

SECTION 10: To conform to the provisions of PA 253 of 2020, this resolution is hereby given immediate effect and will stay in effect for subsequent years until amended or voided.

Introduced and Passed at a regular meeting of the Berkley City Council on February 6, 2023.


Bridget Dean, Mayor

Attest:


Victoria Mitchell, City Clerk

The City of Berkley has elected to allow 150% of the Federal Poverty Guidelines for income. Those amounts are adjusted in the right column of the table below.

FEDERAL POVERTY GUIDELINES

For Use in 2024 Assessments

US Department of Health & Human Services

STC Bulletin 18 of 2023

Size of Family Unit	1.5x Poverty Guidelines
1	\$21,870
2	\$29,580
3	\$37,290
4	\$45,000
5	\$52,710
6	\$60,420
7	\$68,130
8	\$75,840
For each additional person	\$7,710

A poverty exemption shall not be granted to any applicant whose assets exceeds \$35,000.

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CITY OF BERKLEY

Poverty Exemption Application

Applications may be filed beginning January 1st, but in no event later than the day prior to the last day of the Board of Review.

Application Checklist

To aid you in submitting a complete application, be sure that you complete and attach copies of the following items for your application submission:

- _____ Completed Application
- _____ Copy of Driver's License and/or Valid Identification
- _____ Assessment Change Notice
- _____ Copies of the following executed financial forms (most recent year, 2023) for **all individuals** residing in the homestead, along with relevant support documents (for example W-2 Forms, 1099 Forms, etc.):
 - _____ A. Federal Income Tax Return Form 1040, 1040A, or 1040EZ
 - _____ B. Michigan Income Tax Return Form MI-1040, MI-1040A, or MI1040EZ
 - _____ C. Michigan Homestead Property Tax Credit Claim Form MI-1040CR
 - _____ D. If applicable, a 2023 Social Security Administration or Michigan Social Service statement of income paid to the applicant.
- _____ If applicable, a completed Poverty Exemption Affidavit (Form 4988) for all persons residing in the residence who were not required to file federal or state income tax returns. If you only receive Social Security and do not file taxes, please complete Form 4988.

*All requested information must be included with the Poverty Exemption Application. Without the above information the Board will not consider your application.

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION: Petitioner must list all required personal information.

Petitioner's Name:		Daytime Phone Number:	
Age of Petitioner:	Marital Status:	Age of Spouse:	Number of Legal Dependents:
Property Address of Principal Residence:		City:	State: ZIP Code:
☐ Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit:	

PART 2: REAL ESTATE INFORMATION: List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.

Property Parcel Code Number:	Name of Mortgage Company:	
Unpaid Balance Owed on Principal Residence:	Monthly Payment:	Length of Time at this Residence:
Property Description:		

PART 3: ADDITIONAL PROPERTY INFORMATION: List information related to any other property owned by you or any member residing in the household.

☐ Check if you own, or are buying, other property. If checked, complete the information below		Amount of Income Earned from Other Property:	
1	Property Address:	City:	State: ZIP Code:
	Name of Owner(s):	Assessed Value:	Date of Last Taxes Paid: Amount of Taxes Paid:
2	Property Address:	City:	State: ZIP code:
	Name of Owner(s):	Assessed Value:	Date of Last Taxes Paid: Amount of Taxes Paid:

PART 4: EMPLOYMENT INFORMATION: List your current employment information.

Name of Employer:			
Address of Employer:	City:	State:	ZIP Code:
Contact Person:	Employer Telephone Number:		

PART 5: INCOME SOURCES: List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION: List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

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

PART 7: LIFE INSURANCE: List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION: All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

PART 9: HOUSEHOLD OCCUPANTS: List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT: List all personal debt for all household members.

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

PART 11: MONTHLY EXPENSE INFORMATION: The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expenses (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	
Other (type and amount)	Other (type and amount)	Other (type and amount)	

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. 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.

PART 12: POLICY AND GUIDELINES ACKNOWLEDGMENT:

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

☐	The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.
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PART 13: CERTIFICATION:

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from the property taxes pursuant to Michigan Compiled Law, Section 211.7u.		
Printed Name	Signature	Date

This application shall be filed after January 1, but before the day prior to the last day of the local unit's December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
 PO Box 30232
 Lansing MI 48909

Phone: 517-335-9760
 E-mail: taxtrib@michigan.gov

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; 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

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies, as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION — Enter information for the person owning and occupying the residence.			
Owner Name		Owner Telephone Number	
Mailing Address	City	State	ZIP Code
PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)			
Legal Designee Name		Daytime Telephone Number	
Mailing Address	City	State	ZIP Code
PART 3: HOMESTEAD PROPERTY INFORMATION — Enter information for property in which the exemption is being claimed.			
City or Township (check the appropriate box and enter name) ☐ City ☐ Township ☐ Village		County	
Name of Local School District			
Parcel Identification Number		Year(s) Exemption Previously Granted by Board of Review	
Homestead Property Address	City	State	ZIP Code
PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)			
☐ I own the property in which the exemption is being claimed.			
☐ The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.			
☐ After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.			
PART 5: CERTIFICATION			
I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.			
Owner or Legal Designee Name (print)		Signature of Owner or Legal Designee	
		Date	
Designee must attach a letter of authority.			
LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)			
☐ Approved ☐ Denied (Attach appeal instructions and provide to owner.)		Tax Year(s) exemption will be posted to tax roll	
CERTIFICATION — I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.			
Assessor Signature		Date Certified by Assessor	