

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