

City of Lathrup Village

Adopted Policy Relative to The Review and Granting of Poverty Exemptions by the City of Lathrup Village Board of Review

WHEREAS, Public Act 253 of 2020, which amended Section 7u of Act No. 206 of the Public Acts of 1893, as amended by Act No. 313 of the Public Acts of 1993, being sections 211.7u of the Michigan Compiled Laws, requires that the governing body of the local assessing unit determine and make available to the public the policy and guidelines used by the Board of Review in granting reductions in property assessments due to limited income and assets, referred to as "Poverty Exemptions."

THEREFORE, BE IT RESOLVED that in order to be eligible for poverty exemption in the City of Lathrup Village, a person shall do all of the following on an annual basis, unless the applicant qualifies for an extended exemption:

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 an "improved single family residential" or "residential condominium" property with a valid Homeowner's Principal Residence Exemption currently in effect.
3. Submit a completed Form 5737 Application for MCL 211.7u Poverty Exemption.
4. Submit the most recent year's copies of the following for all persons residing in the homestead:
 - a. Federal Income Tax Return-1040, 1040A or 1040E and Michigan Income Tax Return-MI1040, MI1040A or MI1040EZ.
 - b. Senior Citizens Homestead Property Tax Form MI-1040CR-1 or General Homestead Property Tax Claim MI-1040CR-4.
 - c. Statement from Social Security Administration and/or Michigan Social Services as to moneys paid to you during previous year.
 - d. Produce a valid driver's license or Michigan State Identification card for all persons residing in the household.
 - e. Produce a deed, land contract or other evidence of ownership of the property if the board requests it.

BE IT FURTHER RESOLVED that the applicant's total household income cannot exceed the current income limits set by the Federal Department of Housing and Urban Development (HUD) "Very Low" Guidelines, to be updated annually. As a result, appeals for poverty may only be heard at either the July or December Board of Review.

BE IT FURTHER RESOLVED that the total value of the assets of the applicant and each member of the applicant's household shall not exceed \$50,000. Excluding the property for which the exemption is requested BUT including all other property; including from all other persons residing in the household. Property shall include, but is not limited to: cash, savings, stocks, mutual funds, insurance commodities, coin collections, boats, jewelry, art, motor vehicles, recreation vehicles, second homes, cottages or any other saleable real property or other tangible items.

BE IT FURTHER RESOLVED that 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, unless the applicant meets the qualifications for an extended exemption for up to three (3) years.

BE IT FURTHER RESOLVED that, in accordance with MCL 211.7u(6), an extended exemption eligibility applies to those applicants who 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.

BE IT FURTHER RESOLVED that in accordance with MCL 211.7u(6), a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, is permitted to extend the exemption for up to three (3) years, in tax years 2021, 2022, and 2023, without subsequent reapplication for the exemption, provided **Form 5739 is submitted annually and** there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection.

BE IT FURTHER RESOLVED that in accordance with MCL 211.7u(6), a principal residence exempt for the first time from the collection of taxes under this section in tax year 2021, 2022, or 2023, may extend the exemption under this section for up to three (3) additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided **Form 5739 is submitted annually and** there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection.

BE IT FURTHER RESOLVED that for applicants meeting the income level guidelines, the Board may approve a partial exemption if deemed appropriate. Those applicants granted partial exemptions will be required to pay a property tax based on a fifty (50%) reduction in taxable value for the tax year in which the exemption is granted.

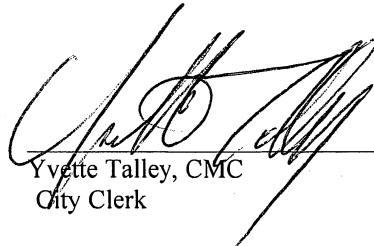
BE IT FURTHER RESOLVED that in order to ease the burden on taxpayers, the assessor and the Board of Review and to ensure that all taxpayers have an equal opportunity to be heard by the Board of Review, the City of Lathrup Village hereby resolves, according to provisions of MCL 211.30(8) of the General Property Tax Act, that the Board of Review shall receive letters of protest regarding assessments from resident taxpayers from the first Tuesday in March until it adjourns from the public hearings for which it meets to hear such protests. All notices of assessment change and all advertisements of Board of Review meetings are to include a statement that the resident taxpayers may protest by letter to the Board.

BE IT FURTHER RESOLVED that the City of Lathrup Village shall implement an audit program for those persons who receive a fixed income solely from public assistance and extend the poverty exemption for up to 3 years, or for any person that carries the 2019/2020 granted poverty exemptions forward to 2021 and if found ineligible, the person is subject to repayment of the taxes plus interest.

BE IT FURTHER RESOLVED that to conform with the provisions, PA 253 of 2020, this resolution is hereby given immediate effect and will stay in effect for subsequent years until amended or voided.

RESOLUTION DECLARED ADOPTED.

I, Yvette Talley, City Clerk for the City of Lathrup Village hereby certify that the foregoing is a true and accurate copy of a Resolution adopted by the Lathrup Village City Council at a regular meeting held on January 25, 2021.


Yvette Talley, CMC
City Clerk