

Resolution of the Pontiac City Council



24-22 **Resolution to Approve the Policy and Guidelines for Granting a Hardship Exemption from Payment of Property Taxes.** Moved by Councilperson Goodman and second by Councilperson Parker.

WHEREAS, Public Act 253 of 2020 (“Act”), requires the governing body of each city and township to 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;” and

WHEREAS, it is the intent of the Council to adopt guidelines in compliance with the Act; and

WHEREAS, that 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. Submit completed Form 5737 Application for MCL 211.7u Poverty Exemption and Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty.
4. Submit the most recent year’s copies of the following for all persons residing in the homestead:
 - a. Produce a valid driver's license or Michigan State Identification card for all persons residing in the household.
 - b. Federal Income Tax Return-1040, 1040A or 1040E and Michigan Income Tax Return- MI 1040, MI1040A or MI1040EZ.
 - c. Senior Citizens Homestead Property Tax Form MI-1040CR-1 or General Homestead Property Tax Claim MI-1040CR-4.
 - d. Benefit Statement from ADC, Pension, Retirement, Social Security Administration and/or Michigan Social Services as to money paid to you during previous year. (along with a signed form 4988).
5. 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; and

WHEREAS, that applicant(s) must complete the application form in its entirety and return to the Treasurer's or Equalization Office. Any application submitted to the Board of Review which has not been filled out in its entirety shall be denied by the Board of Review. Appeals of said denial shall be made to the Michigan Tax Tribunal; and

WHEREAS, that applicant(s) may apply for Poverty Exemption to only one session of the Board of Review (March, July, or December) and any appeal of the Board's decision shall be made to the Michigan Tax Tribunal; and

WHEREAS, that 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 records or affidavits that the Board may deem necessary in order to make a poverty exemption determination, asset limit determination or income level determination; and

WHEREAS, that completed applications may be brought to the Board of Review on the day of an appointment, but to have timely consideration by the Board, the application-with supporting documents-should be made available to the Board one (1) week prior to the meeting date; and

WHEREAS, that applications may be reviewed and acted upon by the Board of Review without applicant(s) being present. However, the Board may request that any or all applicants be physically present to respond to any questions the Board of Review may have. This means that an applicant may be called to appear on short notice; and

WHEREAS, that the Board of Review shall follow the policy and guidelines set forth above when granting and denying poverty exemptions. The same standards shall apply to each taxpayer within the city claiming the poverty exemption for the assessment year; and

WHEREAS, that the allowed reduction for hardship exemption shall be 25%, 50%, 75%, or 100% of Taxable Value of the homestead for the tax year and at their discretion, the Board may approve full or partial exemption if deemed appropriate; and

WHEREAS, that the applicant's total household income cannot exceed 125% of the most current Federal Poverty Guidelines set forth by the U.S. Department of Health and Human Services as established by the State Tax Commission-to be updated annually; and

WHEREAS, that a poverty exemption shall not be granted to any applicant whose assets exceed \$100,000. An applicant's homestead and principal vehicle shall be excluded from consideration as an asset. All other property, including from 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.; and

WHEREAS, 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; and

WHEREAS, PA 191 of 2023 amends both MCL 211.7u and MCL 211.53b to allow the July and December Board of Review to grant a poverty exemption, as a qualified error, for the immediately preceding year on the principal residence of a person who establishes eligibility as requires by Section 7u if an exemption was not on the assessment toll and was not previously denied.; and

BE IT FURTHER RESOLVED that a person filing a poverty exemption claim is not prohibited from also appealing the assessment on the property for which that claim is made before the March Board of Review in the same year and the July and December Board of Review as a qualified error, for the immediately preceding year.

NOW THEREFORE BE IT RESOLVED, in accordance with Public Act 253 of 2020, the Pontiac City Council approves the 2024 Policy and Guidelines for granting an exemption from payment of property taxes.

Ayes: Carrington, Goodman, James, McGuinness, and Parker

No: None

Resolution Passed

Councilperson Rutherford was absent for the vote.

I, Garland S. Doyle, City Clerk of the City of Pontiac, hereby certify that the above Resolution is a true and accurate copy of the Resolution passed by the City Council of the City of Pontiac on January 23, 2024.


GARLAND S. DOYLE, City Clerk

