

CITY OF ROGERS CITY, MICHIGAN

2022 POVERTY EXEMPTION POLICY AND GUIDELINES

The following policy and guidelines, adopted by the City Council of the City of Rogers City, shall be followed by the City of Rogers City Board of Review when considering poverty exemptions according to PA 390 of 1994, Section 211.7u of the Michigan Compiled Laws (MCL).

APPLICATION GUIDELINES

To be eligible for a Poverty Exemption in Rogers City:

- 1) The applicant must own and occupy the property as his/her principle residence and satisfy all requirements of PA 390 of 1994.
- 2) The applicant must file Form 5737 (Application for MCL 211.7u Poverty Exemption) and Form 5739 (Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty).
- 3) The applicant must provide signed federal and state income tax returns for the most recent filing period, including supporting schedules, if the applicant is required to file income tax returns. If the applicant did not file federal or state tax returns, Michigan Department of Treasury Form 4988 must be filed.
- 4) The applicant must provide income and asset information for all owners and occupants of the property. Potential income and asset sources include, but are not limited to:

Income from all sources	Interest and dividends
Salaries and wages before deductions	Pensions
Net receipts from self-employment	Supplemental security income
Veteran payments	Net rental income
Royalties	Scholarships and grants
Unemployment compensation	Insurance
Workers compensation	Retirement accounts
Alimony	Child support
General assistance	IRA/Keogh annuities
Social security	New or reverse mortgages
Cash	Stocks and bonds
Checking & savings accounts	Investments
Money market accounts	Gifts
Assets in trust accounts	Deferred compensation

- 5) The Income Test and Asset Test, both included herein, will be used by the Board of Review in its consideration of the poverty exemption application. The Board of Review will review all applications and determine whether the applicant is eligible for a 100% reduction in taxable value. Partial exemptions will not be granted to those who do not meet the eligibility requirements set forth herein. ~~decide to grant or deny the exemption and, if granted, decide which percentage of the taxable value will be exempted.~~

INCOME TEST

- 1) Total annual household income limits shall be based on federal poverty income guidelines, adjusted annually to comply with the federally-established amounts.
- 2) Total annual household income shall not exceed the following amount applicable to the number of persons living in the household:

Size of family unit	Maximum income level in 2021
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660
For each additional person	\$4,540

ASSET TEST

Eligible applicants must meet the following criteria to pass the asset test required for consideration of a poverty exemption:

- 1) Total cash assets cannot exceed 1/12 of the applicable annual household income.
- 2) Total non-cash assets, excluding the principle residence for which the exemption is being considered, the personal property included therein, and one primary vehicle, cannot have a total value that exceeds 120% of the applicable annual household income.
- 3) An applicant cannot have an ownership stake in property other than his/her principle residence.

EVALUATION PROCEDURES

- 1) The Board of Review shall follow the above policy and guidelines **in all instances** when making poverty exemption decisions. **The same standards shall apply to each applicant for the assessment year unless the Board of Review determines there are substantial and compelling reasons why it should deviate from the policy and guidelines, with those substantial and compelling reasons communicated in writing to the applicant.**
- 2) **Medical and extraordinary hardship situations may be used to qualify applicants who do not otherwise meet the above income and asset tests.**
- 3) The applicant should be prepared to answer questions **regarding his/her financial affairs, health, status of people living in the household, and other things** relevant to the exemption request.
- 4) All information provided by the applicant is subject to verification.