

RESOLUTION 2011 - ____

**A RESOLUTION OF THE LONDON TOWNSHIP BOARD
APPROVING THE POVERTY EXEMPTION APPLICATION
PROCESS FOR 2011 AND THEREAFTER.**

WHEREAS, Public Act 390 of 1994 requires each governing body to approve a Poverty Exemption Application that is to be administered by the township's appointed Board of Review in their consideration of granting or denying requests from residential property owners to be exempted from the payment of their property taxes; and

WHEREAS, Public Act 390 of 1994 along with other applicable bulletins and regulations issued and administered by the State Tax Commission also establish the requirement to annually establish income levels to be followed by the Board of Review in their consideration of property tax poverty exemption applications from owners of residential property; and

WHEREAS, Public Act 390 of 1994 also establishes the requirement to include within the poverty exemption guidelines/procedures to be followed by the Board of Review an asset test of the entire household where the poverty exemption is being requested; and

WHEREAS, the Township Assessor has prepared the Poverty Exemption Application for 2011 which includes the federally approved poverty income guidelines and also the required household asset tests.

NOW THEREFORE BE IT RESOLVED that the London Township Board hereby approves the Poverty Exemption Application for 2011 which includes the appropriate federal poverty income guidelines as explained in the POVERTY EXEMPTION APPLICATION INFORMATION FOR 2011. And said application shall remain in use until replaced or revised.

BE IT FURTHER RESOLVED that the London Township Board directs the Township Assessor and Board of Review to administer the Township of London's Property Tax Poverty Exemption Application process as is required by state law and statute.

The Resolution was introduced by _____ and Supported by _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 14th day of March 2011.

Township Clerk

TOWNSHIP OF LONDON

13613 Tuttlehill Rd

MILAN, MI 48160

NEW POVERTY EXEMPTION REQUIREMENTS EFFECTIVE 1994

PA 390 of 1994 states that the poverty exemption shall not be granted to property owned by a corporation. Starting 1995, PA 390 of 1994 states that the ***governing body*** of the local assessing unit shall determine the policies and guidelines that the local assessing unit will use when deciding whether to grant poverty exemptions. PA 390 requires that the poverty exemption guidelines include the asset levels of the entire household. The determination of the amount of the asset levels is left to the discretion of the local governing body. Local governing bodies are required by the Act to set income and asset levels for their poverty exemption guidelines. In order to qualify for the poverty exemption, the claimant must meet ***all*** of the tests set by the local governing body. PA 390 requires that local assessing units make available to the public their policies and guidelines for the granting of poverty exemptions. The Board of Review shall follow the policies and guidelines of the local assessing unit when granting or denying a poverty exemption. The same standards shall apply to each claimant in the unit for the assessment year. PA 390 requires that the poverty exemption guidelines set by the governing body of the local assessing unit include income and asset level. The Act further requires that the income levels NOT be set lower than the federal poverty income standards.

PARTIAL POVERTY EXEMPTIONS:

Beginning in 1995, PA 390 of 1994 authorizes partial poverty exemptions. A partial poverty exemption is an exemption of only a part of the taxable value of the property rather than the entire taxable value.

FILING FOR THE POVERTY EXEMPTION:

In order to be eligible for the poverty exemption, the claimant must do all of the following ***on an annual basis***:

- 1) Own and occupy as a homestead the property for which the exemption is requested.
- 2) File a Claim with the supervisor/assessor or board of review after January 1, but before the day prior to the last day of the Board of Review on a form provided by the local assessing unit.
- 3) Provide Federal and State income tax returns for all persons residing in the homestead including any property tax credit returns.
- 4) Produce a valid driver's license or other form of identification if requested.
- 5) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is being requested, if requested.
- 6) Meet the federal poverty income standards adopted by the governing body of the local assessing unit.

7) Meet the asset levels set by the governing body of the local assessing unit.

A claimant may Request a Poverty Exemption and Appeal the Property's Assessment to the March Board of Review.

FEDERAL POVERTY INCOME STANDARDS:

The following are the federal poverty income standards that the United States Office of Management and Budget recommend that federal departments and agencies use. *Township of London* has adopted these Income Levels for the basis of granting "Poverty Exemptions." These amounts are adjusted annually.

To be eligible for a poverty exemption in Township of London FOR 2011 your income may NOT exceed these guidelines. If your income exceeds the levels listed below, you do not qualify for a Poverty Exemption:

1 person.....	\$ 10,800
2 persons.....	\$ 14,600
3 persons.....	\$ 18,300
4 persons.....	\$ 22,100
5 persons.....	\$ 25,800
6 persons.....	\$ 29,500
7 persons.....	\$ 33,300
8 persons.....	\$ 37,000
For Each Additional Person add.....	\$ 3,700

Updated annually

MAXIMUM ASSET STANDARDS TO BE ELIGIBLE FOR A POVERTY EXEMPTION

(PA 390 of 1994 states that the poverty exemption guidelines established by the governing body of the local assessing unit shall include an asset level test)

Township of London has adopted the following MAXIMUM ASSET STANDARDS for a household to be eligible for a POVERTY EXEMPTION. The below asset levels DO NOT include the value of your homestead. (Per Tribunal ruling 08-13-97, Docket #236230, and the equity of the homestead should not be included within the asset test to be valid.

1 person	\$ 21,000
2 persons	\$ 26,000
3 persons.....	\$ 31,000
4 persons.....	\$ 36,000
5 persons.....	\$ 41,000
6 persons.....	\$ 46,000
7 persons.....	\$ 51,000
8 persons.....	\$ 56,000
9 persons or more.....	\$ 61,000

If your household assets exceed this amount you are NOT eligible for a POVERTY EXEMPTION.

Please fill out the following forms to be considered for a poverty exemption by the Township of London Board of Review.

Hardship Exemption Application

APPROVE POVERTY EXEMPTION APPLICATION

Public Act 390 of 1994 requires each governing body to approve a Poverty Exemption Application to be administered by the municipalities appointed Board of Review. Furthermore, Public Act 390 requires the governing body to annually approve income levels for the Board of Review to follow in their review of property tax poverty exemption applications from owners of residential properties. Public Act 390 along with other applicable bulletins and regulations from the State Tax Commission provide the federal poverty income levels, the required asset tests and other procedural requirements for the poverty exemption application.