



City of Norway

P.O. Box 99 • 915 Main Street • Norway, Michigan 49870-0099 • Phone 906-563-8015 • Fax 906-563-7502

Resolution 2008-02

PROPERTY TAX POVERTY EXEMPTION P.A. 390 OF 1994

A Resolution to provide for the poverty exemption for property tax

WHEREAS, the adoption of guidelines for poverty exemptions is within the purview of the City Council; and

WHEREAS, the homestead of persons who, in the judgment of the assessor and board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under Public Act 390, 1994 (MCL 211.7u); and

WHEREAS, pursuant to PA 390, 1994 the City of Norway, Dickinson County adopts the following guidelines for the assessor and board of review to implement. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and all persons residing in the household, including any property tax credit returns, filed in the current or immediately preceding year;

To be eligible, a person shall do all of the following on an annual basis:

1. Be an owner of and occupy as a homestead the property for which an exemption is requested.
2. File a claim with the assessor or board of review, accompanied by federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns filed in the immediately preceding year or in the current year.
3. Produce a valid drivers' license or other form of identification if requested.
4. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
5. Meet the federal poverty income standards as defined and determined annually by the United States Office of Management and Budget.
6. The application for an exemption shall be filed after January 1, but before the day prior to the last day of board of review.
7. Any additional eligibility requirements as determined by the City Council;

City of Norway

NOW, THEREFORE, BE IT RESOLVED that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption, unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and federal guidelines and these are communicated in writing to the claimant.

The foregoing resolution offered by Councilperson Dierkens and supported by Councilperson McCarthy.

AYES: Bal, Dierkens, Hayes, McCarthy

NAYS:

RESOLUTION DECLARED ADOPTED THIS 21ST DAY OF JANUARY 2008.

George Bal
George Bal, Mayor

Trisha Plante
Trisha Plante, City Clerk

I hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the City Council of the City of Norway, in the County of Dickinson, Michigan, at a regular meeting held on October 1, 2007.

Trisha Plante
Trisha Plante, City Clerk



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

DATE: October 25, 2007
TO: Assessors and Equalization Directors
FROM: State Tax Commission
SUBJECT: Poverty Exemptions

COPY

This is to notify all Assessor and Equalization Directors that the State Tax Commission intends to undertake a statewide review of poverty exemptions over the next year. Assessors are asked to review the policies adopted by their local units to ensure that they meet the requirements of MCL 211.7u. Assessors are reminded that local governing bodies are required to set income levels for their poverty exemption guidelines and those income levels **shall not be set lower** by a city or township than the federal poverty guidelines updated annually by the U.S. Department of Health and Human Services (provided annually by the STC in the Bulletin on procedural changes). Also please note, that poverty exemption guidelines established by the governing body of the local assessing unit ~~shall include an asset level test.~~

The Commission is asking all Assessors to remind their Boards of Review of the requirements for granting poverty exemptions. The Commission is asking assessors to inform the Commission if they believe their Board of Review is inappropriately granting poverty exemptions. Thank you for your cooperation.



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Asset Test

The value of property in excess of what is considered part of the original homestead shall be considered an asset.

The True Cash Value of the property for which the poverty exemption is requested shall be a consideration by the Board of Review when determining hardship.

Assets include, but are not limited to: real estate other than principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicants).

Assets, (except the original homestead, essential household goods and the first \$5,000. of the market value of a motor vehicle), shall not exceed \$4,000. (four thousand) dollars for individual applicant and/or \$6,000. (six thousand) dollars per household if more than one financial contributor.