

NORTHFIELD TOWNSHIP POLICY AND
GUIDELINES FOR PROPERTY TAX
POVERTY REDUCTIONS

RESOLUTION NO 17-553

WHEREAS, pursuant to MCL 211.7u, the Township Board is authorized to adopt Policy Guidelines for granting poverty exemptions on a principal residence in the Township, in whole or in part on grounds that a property owner is unable to contribute to the public charge due to a temporary financial poverty;

NOW, THEREFORE, IT IS RESOLVED that to be eligible for such poverty exemptions in whole or in part, more clearly described as property tax reductions in the Township of Northfield, a property owner shall do all of the following on an annual basis:

1. Be an owner of and occupy a principal residence on the property for which a Poverty Exemption is requested, for at least the last six months of the preceding calendar year.
2. The applicant shall complete a Poverty Exemption Application form, accompanied by federal and state income tax returns for all persons residing in the homestead in the immediately preceding year or current year including form (MI-1040CR) Homestead Property Tax Credit. In the event federal and/or state tax returns were not filed, the applicant must submit all 1099 forms, such as SA-1099 for Social Security, and all W-2 Forms for the preceding year for all of the occupants of the homestead. Regardless of income status, federal 1040 and form (MI-1040CR) Homestead Property Tax Credit must be filed for the immediately preceding year for the applicants to be considered for a poverty reduction under the township guidelines.
3. An explanation will be required for all household members over 18 years of age who are not cited as contributing to the household income.
4. All applicants MUST submit a copy of a Valid Driver's License or other photographic identification as allowed by statute.
5. All applicants MUST submit three (3) documents proving occupancy of the principal residence by the applicant during the last six months of the preceding year. Such documents must include the owner's name, the owner's principal residence address, and the dates of occupancy (example: utility bills, bank statements).
6. Applicants will produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, ONLY if not already on file with the Township Assessor's office.

7. To be eligible for exemption the applicant must meet ALL of the following income and asset standards:
 - a. Household income cannot exceed 115 % of the Federal Poverty threshold as published annually by the Michigan State Tax Commission. For example, the Federal Guideline for 2017 is \$11,880 for a single person household, which would make Northfield Twp poverty level at or below \$13,662 for a single person household. For varying family size, the township poverty levels shall be calculated by multiplying the Federal Poverty levels by 1.15 - example calculations are shown in the table below.
 - b. The applicants' property value cannot be more than the average property true cash value (TCV) of all of the residential properties in the township, for prior year calculated annually. Average residential value to be obtained through Misc. Total Statistics generated out of the prior year database by taking the total township values in residential class and dividing it by the number of parcels in the residential class. For example, the 2016 the average T.C.V. of Northfield Township residential properties is \$167,061.
 - c. Maximum Limit on total worth of all assets, **excluding** the 'net asset value' of the homestead property, cannot be more than 2 times the federal poverty income level.
 - a. *Note: For Asset Test, values from prior calendar year are used, similar to income of applicants from prior calendar year used for the income standard.*
 - d. May NOT own or have interest in property other than the homestead for which the poverty exemption is applied for ("homestead" includes adjacent parcels granted an "adjacent" Principal Residence Exemption).

Note: For Asset Test-figures from prior calendar year to be used as the verifiable income of applicants would be from prior calendar year as well.

Applying the above rule for 2017, the maximum limit on the worth of all assets would be calculated as follows:

SINGLE PERSON HOUSEHOLD CALCULATION
 $2 \times 2017 \text{ Federal income limit } \$11,880 = \$ 23,760$

The term "assets" may include among others, the following:

- Second home or buildings other than the residence
- Vacant land
- Equipment or other personal property not part of household furnishings
- Vehicles
- Bank Deposits
- Antiques
- Artwork
- Stocks

8. Submit the above, fully completed application for an annual exemption, including a witnessed signature and all of the required income and income tax forms, after January 1 of the tax year in question, **but no later than three weeks** prior to, the last day of the March, July or December Board of Review, to enable assessing staff to verify applications for completion and eligibility.

POVERTY EXEMPTION - ANNUAL INCOME OUALIFICATIONS

Each year exemption limits for annual income shall be revised based on the Federal Poverty Income Guidelines published annually by the Michigan State Tax Commission, as in the following EXAMPLES:

Northfield Township poverty threshold is at a rate of 15% over the Federal Poverty Guideline, allowing a higher income family eligible for relief in case of poverty, Examples:

Size of Family Unit	2017 Federal Guideline	2017 Township Guideline
1	\$11,880	\$13,662
2	\$16,020	\$18,423
3	\$20,160	\$23,184
4	\$24,300	\$27,945
5	\$28,440	\$32,706
6	\$32,580	\$37,467
7	\$36,730	\$42,240
8	\$40,890	\$47,024
For Each Additional Person	\$5,200	\$5,980

These Poverty Guidelines are based on Northfield Township Resolution #13-486 adopted by the Northfield Township Board of Trustees January 23, 2013.

Revised for the 2017 Assessment and Tax year on January 10, 2017.

By Thomas D. Monchak, Northfield Township Assessor.

AYES: Chockley, Manley, Zelenock, Beliger, Chick, Dockett, Otto

NAYS: _____

DULY RESOLVED AND ORDAINED THIS 24th DAY OF JANUARY, 2017

Marlene A. Chockley
Marlene Chockley, Township Supervisor

ATTEST:
[Signature]

Kathy Manley, Township Clerk