

## 2022 POVERTY EXEMPTION POLICY & GUIDELINES

The following ***policy and guidelines***, adopted by the Township Board, shall be followed by the Township Board of Review when considering ***poverty exemptions*** according to section 211.7u of the Michigan Compiled Laws (MCL).

**Application Guidelines:** To be eligible for a Poverty Exemption; The applicant must:

1. File Form 5737 Application for MCL 211.7u Poverty Exemption
2. File Form 5739 Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty
3. Own and occupy the property as a principal residence. Provide federal and state income tax returns for the current or immediately preceding year, including any property tax credits, for all persons residing in the principal residence. (disclosure of the income of an owner who is not residing in the principal residence is not required.) Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return. Instead, Form 4988, *Poverty Exemption Affidavit* may be filed for all persons residing in the residence who were not required to file federal or state income tax returns in the current or immediately preceding year
4. Produce a valid drivers license or other form of identification, if requested
5. Produce a deed, land contract or other evidence of ownership of the property, if requested.
6. Meet the income guidelines of this policy
7. Meet the asset level test of this policy

### Income Test

- Total Annual Household Income shall not exceed the following amount applicable to the number of persons living in the household:

Number of Persons	2022 Federal Maximum Total Income	2022 Township Maximum Total Income
1	\$12,880	\$19,320
2	\$17,420	\$26,130
3	\$21,960	\$32,940
4	\$26,500	\$39,750
5	\$31,040	\$46,560
6	\$35,580	\$53,370
7	\$40,120	\$60,180
8	\$44,660	\$66,990
For each additional person	\$4,540	\$6,810

West Traverse Township

- Total Annual Household Income shall be based on Federal Poverty Income Guidelines and will be adjusted annually to agree to the federally established amount.

Potential income and asset sources are (non-inclusive):

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

**Asset Test**

1. Things of value that a person can own and are exempt from consideration in determining eligibility for a poverty exemption.
  - a. Applicant's principal residence
  - b. One motor vehicle per working adult
  - c. Essential household goods
2. Things of value that the Board of Review can consider in determining what percent exemption to grant:
  - a. Real estate other than the principal residence
  - b. Personal property
  - c. Motor vehicles in excess of one per working adult
  - d. Recreational vehicles and equipment
  - e. Certificate of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, and retirement funds, etc.
3. Assets, excluding the value of the principal residence (land & buildings) for which the exemption is requested and the value of up to two vehicles used by persons residing in the principal residence for which the exemption is requested, must not exceed three (3) times the township allowable maximum total income.

West Traverse Township

**Evaluation Procedures**

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions.
2. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
3. All information is subject to verification.

Granting full or partial poverty exemptions. MCL 211.7u(5) states that if a person claiming poverty exemption meets all eligibility requirements, the Board of Review shall grant the poverty exemption in whole or in part as follows:

- a) A full exemption equal to a 100% reduction in taxable value for the year in which the exemption is granted; or
- b) A partial exemption equal to a 50% reduction in taxable value for the year in which the exemption is granted; or
- c) A partial exemption equal to a 25% reduction in taxable value for the year in which the exemption is granted.

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized by statute

**WEST TRAVERSE TOWNSHIP  
POVERTY EXEMPTION GUIDELINES RESOLUTION**

**WHEREAS**, the adoption of guidelines for poverty exemptions is within the purview of the Township Board; and

**WHEREAS**, the primary residence of persons who, in the judgment of the Supervisor 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) as amended by PA 620 of 2002; and

**WHEREAS**, pursuant to PA 390, 1994 as amended, West Traverse Township, Emmet County adopts the following guidelines for the Supervisor 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 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) File a claim with the Supervisor or Board of Review, accompanied by federal and state income tax returns for all persons residing in the primary residence, 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, if requested.
- 5) Meet the current poverty income guidelines adopted annually by the Township Board.
- 6) File an application for an exemption after January 1, but before the day prior to the last day of Board of Review for that year.
- 7) Meet the asset level test guidelines adopted annually by the Township Board.

**NOW, THEREFORE BE IT HEREBY RESOLVED**, that the Board of Review shall follow the above stated policy and guidelines in granting or denying a poverty exemption.

The foregoing resolution is offered by Board Member: Bartlett and supported by Board Member: Green,

With a roll call vote of YES or NO:

Hollingsworth y Green y Mooradian y Baiardi y Bartlett y

The Supervisor declared the resolution adopted.

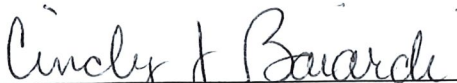
Cindy J. Baiardi  
Cindy J. Baiardi, Clerk

Date: February 8, 2022

**WEST TRAVERSE TOWNSHIP  
POVERTY EXEMPTION GUIDELINES RESOLUTION**

**CERTIFICATION**

I, Cindy J. Baiardi, Clerk of West Traverse Township, hereby certify that the foregoing resolution was adopted by the Township Board of said Township at a regular meeting of said board held on February 8, 2022, at which meeting a quorum of the Township Board members was present; and that the foregoing resolution is a part of the official minutes of the meeting held on said date.

  
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Cindy J. Baiardi, Clerk

Date: February 8, 2022

Attest:

  
\_\_\_\_\_  
Jim Bartlett, Supervisor

Date: February 8, 2022