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## **POLICY ON POVERTY EXEMPTIONS BY BOARD OF REVIEW**

WHEREAS, Public Act 390 of 1994 was passed by the legislature and signed by the Governor on December 29, 1994, and said Public Act makes significant changes to the poverty exemption found in 211.7U as amended, and has been further amended by PA 620 of 2002 and by PA 253 of 2020, of the Michigan Compiled laws; and

WHEREAS, Public Act 390 states that the governing body of the local assessing unit shall determine and make available to the public the policy and guidelines the local assessing unit uses for granting poverty exemptions;

NOW, THEREFORE, BE IT ESTABLISHED that:

In order to be eligible for poverty exemption, the claimant must accomplish all of the following:

- 1) Own and occupy the homestead for which the exemption is requested.
- 2) File a claim with the City Assessor or the board of review after January 1 but one day prior to the last day of the board of review on a form provided by the city. (copy attached and incorporated as part of the policy)
- 3) Provide current or preceding year 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 by the city assessor or board of review.
- 5) Produce a deed, land contract, or other evidence of ownership of the homestead property if requested by the city assessor or board of review.
- 6) Meet federal poverty income standards. (age not considered)
- 7) Meet city poverty asset standards by having a net worth, excluding the value of the homestead being claimed, which does not exceed one and one-half times the current year Poverty Threshold for the number of persons residing in the homestead. (age not considered)

When computing income or net worth, the definitions of income provided in Michigan Department of Treasury Bulletin No. 3, MCL 211.7u Poverty Exemptions, dated 9 February, 2021, shall be used in 2021 (copy of Federal poverty income standards are attached hereto as part of the policy).

The computations for subsequent years shall be based on the most recent federal poverty income standards issued annually by the United States Office of Management and Budget.

If the claimant's situation meets the above requirements, the board of review may grant either a full or a partial exemption. The determination of whether a full or partial exemption is granted will be based on a comparison of actual income/asset levels versus the federal income and city asset standards. During the deliberation, process the city assessor and board of review must remain totally objective and insure that their decision is in no way arbitrary. The same standards shall apply to each claimant "unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant."

An appeal of a decision of the March Board of Review is made by completing and submitting a petition to the Michigan Tax Tribunal no later than July 31 of the same year. A decision of the July or December Board of Review may be appealed by completing and submitting a petition to the Michigan Tax Tribunal within 35 days of the July or December Board of Review's decision.

I hereby certify that the above Policy was adopted by the City Commission at its regular meeting held on February 21, 1995, in the Commission Chambers of the Governmental Center, 400 Boardman, Traverse City, Michigan, and was amended on February 16, 2021 in a remote participation meeting and said Policy to be effective immediately.

  
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Benjamin Marentette, MMC  
City Clerk