

CITY OF THE VILLAGE OF DOUGLAS POVERTY EXEMPTION GUIDELINES

1. Purpose. The principal residence of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation. Principal residence is defined as the "principal residence or qualified agricultural property" as those items are defined in MCL 211.722.
2. Eligibility. To be eligible for the poverty exemption:
 - (a) The applicant must be an owner of, and occupy as principal residence, the property for which the exemption is requested.
 - (b) Total annual household income limits shall be not exceed the amounts set forth under the Federal poverty guidelines as defined and determined annually by the United States Department of Health and Human Services under authority of Section 673 of Subtitle B of Title VI of the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35, 42 USC 9902, or alternative guidelines adopted by the City, provided they do not provide income eligibility or eligibility requiring less than federal guidelines, and
 - (c) Total assets, except the homestead being claimed, essential household goods, and market value of motor vehicle, should not exceed:
 - (i) \$4,000 for the claimant
 - (ii) \$6,000 for the household

Assets include, but are not limited to: real estate (other than the principal residence); motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, and retirement funds. Assets do not include essential household goods (such as furniture, appliances, dishes, and clothing) or term life insurance.

The Board of Review will not reduce the value of the assets by the amount of any indebtedness owed on such assets, or any indebtedness otherwise owned by the applicant.

If the applicant meets these eligibility requirements, the applicant will be entitled to a poverty exemption as long as the applicant complies with the remaining requirements and procedures set forth in these guidelines.

3. Application. To apply for the poverty exemption, a person shall do all of the following on an annual basis:

- (a) File a Poverty Exemption Application with the Assessor or Board of Review. Applicants must obtain the Application from the Assessor's Office. Physically challenged or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
- (b) Submit copies of federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns filed in the immediately preceding year or in the current year.
- (c) Produce a valid driver's license or other forms of identification, if requested.
- (d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, if such proof of ownership is requested by the Board of Review.
- (e) Provide evidence of other assets including investments, real property and retirement accounts, which include but are not limited to W-2 forms, interest income statements, dividend income statements, social security benefit statement, pension benefit statements, pension benefit statements, SSE benefit statements, workman's compensation benefit statement, public assistance benefit statement, general assistance benefit statements, ADC benefit statements, child support documentation, and alimony documentation.
- (f) Information and documents submitted in support of this application will be kept confidential, to the maximum extent permitted by law.

4. Deadline. The poverty exemption application must be submitted after January 1, but the day prior to the last day of the Board of Review.

5. Appearance before the Board of Review. The applicant, or a representative of the applicant, will be required to appear before the Board of Review to respond to any questions that the Board or Assessor may have concerning the exemption application, unless a written medical excuse provided by their doctor at the time the application is submitted.

- (a) An applicant may be called to appear before the Board of Review on short notice.
- (b) An applicant may have to answer questions regarding the applicant's financial affairs, health, or the status of people living in the applicant's home before the Board at a meeting that is open to and will be attended by the public.
- (c) Applicants appearing before the Board may be administered an oath as follows:

"Do you _____ swear and affirm that the evidence and testimony you will give in your own behalf before the

Board of Review is the truth, the whole truth, and nothing but the truth, so help you?

- (d) The Secretary of the Board of Review may tape record and will keep minutes of all proceedings before the Board of Review.
- (e) If called to appear before the Board, physically challenged or infirmed applicants may call the Assessor's Office to make necessary arrangements for assistance.
- (f) The Board of Review may, in its discretion, review poverty exemption applications without the applicant or the applicant's representative being physically present.

6. Evaluation of Application. Applications for poverty exemptions will be evaluated based on information submitted to the Board of Review by the applicant, testimony taken from the applicant, and information gathered by the Board from any source.

- (a) The Board of Review is not required to grant poverty exemption for property owned by multiple owners as long as at least one owner is not eligible for the poverty exemption.
- (b) The Board of Review may conduct an investigation to verify the information submitted or statements made to the Assessor or Board of Review in regard to the applicant's poverty exemption claim.
- (c) The Board of Review may not deny a poverty exemption based upon mere speculation regarding the level of an applicant's income or assets.
- (d) A poverty exemption, if granted, shall remain in effect for one year and an applicant's eligibility for the poverty exemption shall be determined each year.
- (e) The Board of Review may not determine an applicant's eligibility for the poverty exemption based on the number of years that the applicant has been granted a poverty exemption in the past, or the number of years that the applicant may be granted a poverty exemption in the future.

7. Special Circumstances Warranting Application of the Poverty Exemption. The Board of Review may, in its discretion, grant a poverty exemption to a taxpayer who does not meet the income and asset tests contained in these guidelines where one or more of the following has resulted in hardship to the taxpayer:

- (a) Unforeseen prolonged cessation of income due to circumstances beyond the applicant's control;
- (b) Trauma or critical illness of the applicant or the applicant's immediate family member which resulted in excessive financial liabilities for which the taxpayer does not receive reimbursement;

- (c) Catastrophic loss; or
 - (d) Other extenuating circumstances which the Assessor and Board of Review agree are legitimate hardships over which the applicant has no control.
8. Deviation from the Guidelines. The Board of Review shall follow the guidelines as approved by the Council of the City of the Village of Douglas in granting or denying an exemption unless the Board of Review determines there are substantial and compelling reasons why they should be a deviation from these guidelines and the substantial and compelling reasons are communicated in writing to the applicant.