

Beth Friend, Supervisor
Susanne M. Courtade, Clerk
Tracey Bartlett, Treasurer



Glen Lile, Trustee
Mindy Walters, Trustee
Matt Courtade, Trustee
Matt Cook, Trustee

**East Bay Charter Township
Board of Trustees**

Resolution 2023-03

Resolution Establishing Poverty Exemption Income Guidelines and Asset Test Policy

At a regular meeting of the Township Board for the Charter Township of East Bay, Grand Traverse County, Michigan, held in the Township Hall located at 1965 N. Three Mile Road, Traverse City, Michigan, on the 13th day of February 2023,

PRESENT: Bartlett, M. Courtade, Cook, Walters, S. Courtade, Friend

ABSENT: Lile

The following resolution was offered by Walters and supported by S. Courtade and passed upon roll call vote.

Whereas the Township Board of the Charter Township of East Bay, Grand Traverse County, Michigan, is required by Section 7u of the General Property Tax Act, Public Act 206 of 1893 (MCL 211.7u), to adopt guidelines for poverty exemptions;

Whereas the principal residence of persons who, in the judgment of the supervisor and 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 the collection of taxes under the General Property Tax Act, being Act 206 of the Public Acts of 1893, as amended; and

Whereas any previous Property Taxation Poverty Exemption resolution, guideline, and asset test passed by the East Bay Charter Township Board of Trustees will be deemed replaced; therefore, be it

Resolved, that pursuant to MCL 211.7u, the Township Board of the Charter Township of East Bay, located within Grand Traverse County:

1. Establishes the attached Poverty Exemption Guidelines and Asset Test Policy.

Upon roll call vote:

YES: Walters, S. Courtade, Cook, M. Courtade, Bartlett, Friend

NO: None

ABSTAIN: None

**THIS EAST BAY CHARTER TOWNSHIP BOARD OF TRUSTEES
RESOLUTION 2023-03, APPROVED ON THE 13th DAY OF FEBRUARY, 2023,
IS DECLARED ADOPTED BY THE TOWNSHIP SUPERVISOR
AND DECLARED CERTIFIED BY THE CLERK.**

Beth Friend, Supervisor 2/13/2023
Date

I, the undersigned, the Clerk of the Charter Township of East Bay, Grand Traverse County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by said municipality of East Bay Charter Township at its meeting, relative to the adoption of the resolution therein set forth, that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of 1976, Public Acts of Michigan, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Susanne Courtade MiPMC²/MMC, Clerk 2/13/2023
Date



Poverty Exemption Income Guidelines and Asset Test Policy

I. GENERAL OVERVIEW

The Board of Review of East Bay Charter Township recognizes the need to have a procedure by which residents in need of assistance under MCL 211.7u can make an application for property tax relief. The Board of Review further recognizes that, pursuant to statute, as well as case law, they must adopt guidelines, approved by the Board of Trustees, to be used as standards when considering appeals made based on financial hardship. The Board of Review understands these guidelines must be adhered to when reviewing hardship appeals. Any form submitted that is inaccurate or not fully completed will result in a denial of the appeal. All information in the form is subject to verification from the Board of Review or the Assessing Department.

II. POLICY APPLICATION

This policy applies to the principal residence of individuals and does not apply to the property of a corporation. For the purposes of this policy, “principal residence” means either of the following:

1. The one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Except as otherwise provided in this subdivision, principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. Principal residence also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Principal residence also includes all of an owner's unoccupied property classified as timber-cutover real property under section 34c that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Except as otherwise provided in this subdivision, principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders. Property that qualified as a principal residence shall continue to qualify as a principal residence for 3 years after all or any portion of the dwelling or unit included in or constituting the principal residence is rented or leased to another person as a residence if all of the following conditions are satisfied:

- a. The owner of the dwelling or unit is absent while on active duty in the armed forces of the United States.
 - b. The dwelling or unit would otherwise qualify as the owner's principal residence.
 - c. Except as otherwise provided in this subparagraph, the owner files an affidavit with the assessor of the local tax collecting unit on or before May 1 attesting that it is his or her intent to occupy the dwelling or unit as a principal residence upon completion of active duty in the armed forces of the United States.
2. "Qualified agricultural property," which is defined to mean unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principal residence exemption on other property. Property shall not lose its status as qualified agricultural property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use or if more than 50% of the parcel's acreage is devoted to a combination of agricultural use and is exempt under MCL 2117jj(1) as qualified forest property. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building. As used in this subdivision, "Wildlife risk mitigation action plan" means a written plan consisting of one or more projects to help reduce the risks of a communicable disease spreading between wildlife and livestock that is approved by the department of agriculture under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

III. EXEMPTION APPLICATIONS

A property owner(s) seeking an exemption under this policy shall file an application for the exemption with the board of review on a form prescribed by the state tax commission and provided by the township assessor after January 1 but before the day prior to the last day of the board of review.

IV. ELIGIBILITY

To be eligible for exemption under this policy, a property owner(s) shall comply with all of the following requirements on an annual basis:

1. Be an owner of and occupy as a principal residence the property for which an exemption is requested. A property owner(s) shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the township assessor.
2. File a claim with the board of review on a form prescribed by the state tax commission and provided by the township assessor accompanied by 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. 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 in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year. If a person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in

the immediately preceding tax year, an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

3. Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
4. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
5. Meet the income and asset guidelines provided in this policy.

I. FURTHER ELIGIBILITY

1. To be eligible for exemption under this policy, a property owner(s) shall meet the federal poverty income guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902. Each year the *Poverty Exemption Income Guidelines and Asset Test Policy* will be updated with the federal poverty income guidelines published in the prior calendar year and included in Attachment A to this policy. As local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions and those income levels shall not be set lower than the federal poverty guidelines, East Bay Charter Township adopts poverty guidelines set \$3,000 higher for each household than the federal poverty guidelines.
 2. To be eligible for exemption under this policy a person shall not own real and personal property with a fair market value greater than three times the township poverty income guideline. For purposes of determining the maximum asset level, the following property shall be exempt: (1) the principal residence of the property owner(s), (2) one motor vehicle regardless of use, (3) motor vehicles and other vehicles used exclusively for business purposes, and (4) the proceeds from the sale of the principal residence of the property owner(s) if the sale occurred in the previous 12 months.
- V. The East Bay Charter Township Board of Review shall follow this policy when deciding whether to granting or denying an exemption under this policy. If a property owner(s) claiming an exemption under this policy is qualified under Paragraphs D and E of this policy, the board of review shall grant the exemption in whole or in part, as follows:
1. A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
 2. A partial exemption equal to 1 of the following:
 - a. A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
 - b. As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

Poverty Exemption Income Guidelines

Attachment A

Federal and Township Poverty Income Guidelines

PERSONS IN FAMILY/HOUSEHOLD	FEDERAL POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES* FOR 2023 ASSESSMENTS	EAST BAY CHARTER TOWNSHIP POVERTY GUIDELINE
1	\$13,590	\$16,590
2	\$18,310	\$21,310
3	\$23,030	\$26,030
4	\$27,750	\$30,750
5	\$32,470	\$35,470
6	\$37,190	\$40,190
7	\$41,910	\$44,910
8	\$46,630	\$49,630
For families/households with more than 8 persons, add \$4,720 for each additional person.	East Bay Charter Township Poverty Guideline is \$3,000 more than the Federal Guideline as defined in the Township's Poverty Exemption Income Guidelines and Asset Test.	

* The Federal Poverty Guidelines are updated periodically, typically in January of every year, in the Federal Register by the U.S. Department of Health and Human Services under the authority of 42 U.S.C. 9902(2). This document, Attachment A of the *Poverty Exemption Income Guidelines and Asset Test Policy* will be updated annually. *Updated 02/13/2023