

GUIDELINES AND POLICY FOR GRANTING A POVERTY EXEMPTION CITY OF CASPIAN

WHEREAS, the adoption of guidelines for poverty exemptions is required of the City Council; and

WHEREAS, the principal residence of persons, who the Assessor and Board of Review determine by reason of poverty to be unable to contribute to the public charge, is eligible for exemption in whole or in part from taxation under Public Act 390 of 1994 (MCL 211.7u); and

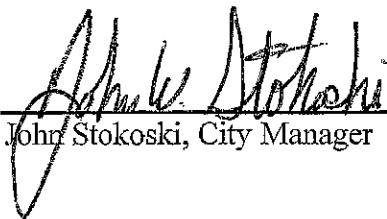
WHEREAS, pursuant to PA 390 of 1994, the City of Caspian, Iron County, Michigan, adopts City Policy No. 96 as its poverty exemption guidelines for applicants requesting consideration for poverty exemption for the Board of Review to implement. The guidelines shall include but not be limited to the specific 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;

WHEREAS, the City of Caspian, Iron County, Michigan, adopts the Federal Poverty Guidelines which are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

WHEREAS, the City of Caspian, Iron County, Michigan, adopts an asset level test which requires that the combined assets of all persons do not exceed \$10,000. Assets include, but are not limited to, real estate other than the principal residence, personal property, motor vehicles, recreational vehicles and equipment, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc.

The forgoing policy was passed at a regular meeting of Caspian's City Council on

9-11-2024, Guidelines, Policy and Asset Test attached.



John Stokoski, City Manager

CITY POLICY

POVERTY EXEMPTION GUIDELINES AND POLICY FOR APPLICANTS REQUESTING CONSIDERATION FOR POVERTY EXEMPTION

1. An applicant shall obtain the Poverty Application from the City of Caspian Assessor by mail or e-mail.
2. An applicant shall meet all of the following qualifications:
 - a. Be the owner of and occupy as a Principal Residence Exemption the parcel for which an exemption is requested.
 - b. Produce a valid driver's license or other form of identification for all individuals residing in the home over the age of 18, if requested by the City of Caspian Assessor or Board of Review.
 - c. Produce a deed, land contract, or other evidence of ownership of the property, if requested, by the City of Caspian Assessor or Board of Review.
 - d. Submit current year's 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 or a signed State Tax Commission Form 4988, *Poverty Exemption Affidavit*.
 - e. Meet the Federal Poverty Guidelines.
3. Partial exemptions may be granted at 25, 50 or 75% only.
4. If the applicant's income exceeds the Federal Poverty Guidelines or the applicant's assets exceed \$10,000, the applicant is not eligible for the exemption,
5. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner and all members of the household. Any attempt to hide and/or shift assets to another person, business or corporation shall be grounds for denial.
6. The Board of Review will consider the effect of all Michigan Income Tax Credit the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Heating Credits.
7. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any source.
8. Applicants may be subject to investigation of their entire financial and property records by the City. This would be done to verify information given or statements made to the Board of Review or Assessor in regards to the poverty tax claim.

9. No exemption shall be given unless the applicant completely fills out an application form for the year being applied for and returns it, in person, to the City of Caspian's Assessor's office. If a question or statement does not apply, "N/A" for not applicable may be written in the appropriate space.

- a. All required documentation must be attached to the application upon return to the City of Caspian's Assessor's office.

10. All applications shall be filed with the City of Caspian's Assessor's office after January 1, but before the day prior to the last day of March, July or December Board of Review.

11. The Assessor and Board of Review shall consider applications based on the above items and may approve an application if it agrees with the intent of the above items and applicable governing laws.

12. Applications may be reviewed by the Board of Review without the applicant being present. However, the Board of Review may request that an applicant, or their authorized agents, be physically present to respond to any questions the Board of Review may have. Teleconferencing for the purpose of asking questions of the applicant is allowable if the applicant is not able to attend. This means that the applicant could be called to appear on short notice, and be sworn in, under oath, considering laws of perjury.

13. The applicant may need to answer questions regarding his/her financial affairs, health, and the status of people living in the applicant's home before the Board of Review at a meeting. All meetings of the Board of Review are subject to the Open Meetings Act, PA 267 of 1976.

14. The Board of Review determines if asset limits have been met.