

POLICY: Hardship (Poverty) Exemption

DATED: January 21, 1997

REVISED: February 16, 1998; March 1, 1999; February 6, 2006; May 7, 2007;
December 15, 2008

PURPOSE: Public Act 390 of 1994 was passed by the Michigan legislature and signed by the Governor on December 29, 1994, and said Public Act makes significant changes to the poverty exemption policy found in 211.70 as amended, of the Michigan Compiled laws. 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 hardship (poverty) exemptions. The Township of Ellsworth develops a hardship exemption policy of real and personal property of persons, who, in the opinion of the Board of Review, by reason of poverty, are unable to contribute towards the public charges. MCL 211.7u (1)

POLICY: In order to be eligible for a hardship (poverty) exemption, the claimant must establish or comply with all of the following:

1. Be the owner and occupant of property that is his/her principal residence for the year for which the exemption is requested. If requested by the Board of Review, a copy of the deed, land contract, or other evidence of ownership of the property.
MCL 211.7u (2) (a)-(d)
2. Not own any other real estate and/or recreational vehicles in or out of the State of Michigan.
3. Fully complete the Declaration of Poverty Request for tax relief application, including the asset and income schedule.
4. Hardship exemption may be granted up to a maximum of 50 percent of the amount of the property tax considering any amount returned pursuant to the Michigan Homestead Property Tax Credit. In no case shall the combination of the Michigan Homestead Property Tax Credit and the hardship exemption granted by the Township of Ellsworth exceed 100 percent of the total property taxes levied.

EXAMPLES:

Scenario 1: If the property tax levied by the City is \$1,750 and the amount of the Homestead Property Tax Credit as shown on line 34 of the return reflects \$1,200 then the maximum hardship exemption would be \$550.

Scenario 2: If the property tax levied by the City is \$1,750 and the amount of the Homestead Property Tax Credit as shown on line 34 of the return reflects \$425 then the maximum hardship exemption would be \$875.

5. The exemption is also dependent upon the total household income of the applicant meeting the guidelines established by the Township of Ellsworth.
 - a. Total family income is defined as money, wages, and salaries before deductions; net receipts from non-farm self-employment, business, professional, enterprise, or partnership after deductions; payments from social security, retirement, unemployment compensation, veteran's payments, public assistance; alimony, child support, military family

allotments or other regular support from an absent family member or someone not living in the household; private pensions, government pensions, annuity or insurance payments; scholarships, grants, fellowships, assistantships; dividends, interest, rental income, royalties, periodic receipts from estates or trusts, gambling or lottery winnings.

6. Provide a current or preceding year federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns. The applicant must include a copy of the Michigan Homestead Property Tax Credit Statement. An exemption shall not be given for the amount of property tax refundable by any organization or governmental agency.
7. Provide a valid driver's license or other form of identification if requested by the Board of Review. MCL 211.7u (2)(c)
8. Meet the Township of Ellsworth's income standards for "Poverty Threshold" for the calendar year in question. As its "Poverty Threshold", the Township of Ellsworth has adopted and incorporated the federal poverty guidelines updated annually in the Federal Register 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)
***TABLE BELOW REFLECTS GUIDELINES FOR 2015 ONLY. ANNUAL UPDATES ARE AVAILABLE ON THE US DEPARTMENT OF HEALTH AND HUMAN SERVICES WEBSITE, <http://aspe.hhs.gov/POVERTY/>**

**2017
HHS POVERTY GUIDELINES**

Size of Family Unit	Poverty Guidelines
1	11,880
2	16,020
3	20,160
4	24,300
5	28,440
6	32,580
7	36,730
8	40,890
For each additional person	4,160

9. This policy applies only to individuals and is not for trusts or other types of ownerships such as corporations, limited liability companies, partnerships, associations, and co-owners (the only exception being the individual owner of a life estate).
10. Only the assessed value of the principal residence of an owner of a life estate shall apply, but the incomes of the owner of a life estate and income of all interested persons and household members shall be combined for determination of the poverty threshold. The owner of the life estate must reside and use the property as his or her principal residence.

11. Any tax exemption given to an individual under these guidelines shall be for the one (1) year's taxes. A new application will be required each year an exemption is requested.
12. During the deliberation process, the Board of Review must remain totally objective and ensure that their decisions is in no way arbitrary.
13. The Board of Review must follow this hardship exemption policy and the guidelines set forth within, unless it determines there are substantial and compelling reasons to deviate from this policy and guidelines. MCL 211.7u(5)
Substantial and compelling reasons are defined as those that:
 - a. Are objective and verifiable,
 - b. Keenly or irresistibly grab one's attention,
 - c. Are of considerable worth in deciding whether to grant the exemption,
 - d. Exist only in exceptional cases.
14. When exercising the discretion to deviate from this policy, the Board of Review must articulate the substantial and compelling reasons found, and must communicate the reasons in writing to the applicant requesting the exemption. Examples of substantial and compelling reasons might include excessive medical expenses or excessive expenses relating to the care of elderly or disabled persons.
15. The Township Assessor and the Board of Review shall notify in writing all applicants whose application for exemption is being denied. The applicant may appeal the decision by applying to the Michigan Tax Tribunal and filing the appeal in writing prior to June 30th for a March Board of Review action. For July and December Board of Review actions the appeal must be filed with the Tax Tribunal within 30 days of receipt of your answer from the Board of Review. The address is Michigan Tax Tribunal, 611 West Ottawa, PO Box 30232, Lansing, Michigan 48909.
16. The assessor will act as an advisor for the Board of Review. The Board of Review will have the final determination for a hardship exemption. A person who files a claim is not prohibited from also appealing the assessment on the property for which that claim is made before the Board of Review in the same year.
MCL211,7u (6).
17. The application filing for an exemption under this policy shall be filed after January 1, but before the day prior to the last day of the Board of Review.
MCL 211.7U (3)