

**CITY OF OWOSSO
PROPERTY TAX
POVERTY EXEMPTION POLICY & GUIDELINES**

POLICY

The City of Owosso will grant partial exemptions due to poverty according to Section 211.7u of the Michigan Compiled Laws. *Property Tax Poverty exemptions must be applied for each year.*

The Assessor and the Board of Review will apply the guidelines as adopted by the City uniformly to all applicants without prejudice and shall not deviate from the adopted guidelines without substantial and compelling reasons. Any such deviation shall be communicated in writing to the applicant. (211.7u).

The Assessor's office will determine the estimated property tax liability for the applicable tax year and the estimated State homestead credit for each applicant. The exemption shall not exceed the tax liability minus the homestead credit refund. (Example: if the tax liability is \$1000 and the homestead credit is \$300, the exemption shall not exceed \$700.)

The Board of Review may deviate from the above policy where there are substantial and compelling reasons and such substantial and compelling reasons are communicated in writing to the City Council and the claimant (211.7u).

GUIDELINES

The applicant shall:

- Be the owner and occupant of the homestead property for which an exemption is applied (211.7u).

- File a claim (application) on the form provided by the City Assessor's office. The filing of a claim constitutes an appearance before the Board of Review for the purpose of preserving the claimant's right to appeal (211.7u). The application form shall be fully completed.

- Sign the application at the Assessor's office when the application is returned. If the applicant cannot personally return the application, a notarized application is acceptable.

- Supply a copy of federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns, filed in the immediately preceding or in the current year (211.7u).

- Supply a copy of proof of income for the most recent one-month period for all household members (current pay stubs, benefit statement, etc.)

- Supply identification, proof of residency and ownership if requested by the Assessor or Board of Review (211.7u).

If the applicant fails to supply the required documents or if it is found that the information supplied is fraudulent, the application shall be denied.

Income Test*

Applicant's income shall not exceed the federal poverty income thresholds as defined and determined annually by the U.S. Department of Commerce. (See attached defined income)

2004 Federal Income Standards Poverty Threshold

<u>Number of persons residing in homestead</u>	<u>Annual allowable income</u>
1 person	8,980.
2 persons	12,120.
3 persons	15,260.
4 persons	18,400.
5 persons	21,540.
6 persons	24,680.
7 persons	27,820.
8 persons	30,960.
Each additional person, add	3,140.

Income of students under the age of 18 years, shall not be included as income

Asset Test

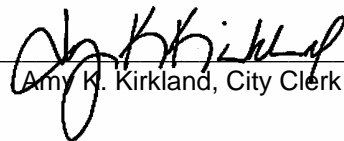
The value of property in excess of what is considered part of the original homestead shall be considered an asset.

The True Cash Value of the property for which the poverty exemption is requested shall be a consideration by the Board of Review when determining hardship.

Assets include, but are not limited to: real estate other than principal residence, motor vehicles, recreational vehicles and equipment, certificates of deposits, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, etc. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicant(s).

Assets, (except the original homestead, essential household goods and the first \$5,000 of the market value of a motor vehicle), shall not exceed \$4,000 (four thousand) dollars for individual applicant and/or \$6,000 (six thousand) dollars per household if more than one financial contributor.

I hereby certify that the foregoing document is a true and complete copy of a policy adopted by the Owosso City Council at the regular meeting of March 1, 2004.



Amy K. Kirkland, City Clerk

*See below for current income thresholds...

2011 INCOME THRESHOLD POVERTY EXEMPTIONS

2011 Federal Income Standards Poverty Threshold

<i>Number of Persons residing in Homestead</i>	<i>Annual Allowable Income</i>
1 person	\$ 10,800
2 persons	14,600
3 persons	18,300
4 persons	22,100
5 persons	25,800
6 persons	29,500
7 persons	33,300
8 persons	37,000
Each additional person, add	3,700

Income of students under the age of 18 years **shall not** be included as income.

I hereby certify that the foregoing document is a true and complete copy of a policy adopted by the Owosso City Council at the regular meeting of January 3, 2011.



Amy K. Kirkland, City Clerk