

**CITY OF SAUGATUCK
ALLEGAN COUNTY, MICHIGAN
STATE OF MICHIGAN**

RESOLUTION NO. 210125-A

**A RESOLUTION TO ADOPT POVERTY EXEMPTION INCOME GUIDELINES
AND ASSET TEST**

Council Member Lewis, offered the following resolution and moved for its adoption, seconded by Council Member Stanton.

WHEREAS, the homestead of persons who, in the judgment of the board of review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under the General Property Tax Act; and

WHEREAS, the City Council is required by Section 7u of the General Property Tax Act, Public Act 206 of 1893 (MCL 211.7u), amended by Public Act 253 of 2020, to adopt guidelines for poverty exemptions;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, the **City of Saugatuck, Allegan County**, adopts the following guidelines 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 of immediately preceding year.

To be eligible, a person shall do all the following on an annual basis:

- (1) Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.
- (2) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, 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 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 federal poverty 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 lines under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.
- (6) The application for exemption under this section must be filed after January 1 but before the day prior to the last day of the board of review.
- (7) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under this section. If the local assessing unit maintains a website, the local assessing unit shall make the policy and guidelines, and the form described in subsection (2)(b), available to the public on the website. The guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets.
- (8) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section. If a person claiming an exemption under this section is qualified under the eligibility requirements in subsection (2), the board of review shall grant the exemption in whole or in part, as follows:
 - (a) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
 - (b) A partial exemption equal to 1 of the following:
 - (i) A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
 - (ii) 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.
- (9) Notwithstanding any provision of this section to the contrary, a local assessing unit may permit by resolution a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2) and may permit a principal residence exempt for the first time for the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the exemption under subsection (2), if the person who establishes initial eligibility under subsection (2) receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits. Both of the following apply to a person who obtains an extended exemption under this subsection:
 - (a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:
 - (i) The person ceases to own or occupy the principal residence for which the exemption was extended.
 - (ii) The person experiences a change in household assets or income that defeats eligibility for the exemption under subsection (2).
 - (b) If the person fails to file a rescission as required under subdivision (a) and the property is later determined to be ineligible for the exemption under this section, the person is subject to repayment of any additional taxes with interest as described in the subdivision. Upon discovery that the property is no longer eligible for the exemption under this section, the assessor shall remove the exemption of that property and, if the tax roll is in the local tax collecting unit's possession, amend

the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days of the date of the discovery, issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall, within 30 days of the date of the removal, prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued.

- (10) A person who files a claim under this section 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.
- (11) Notwithstanding any provision of this section to the contrary, if the assessor determines that a principal residence of a person by reason of poverty is still eligible for this exemption and the property was exempt from the collection of taxes under this section in tax year 2019 or 2020 if, on or before February 15, 2021, the governing body of the local assessing unit in which the principal residence is located adopts a resolution that continues the exemption through tax year 2021 for all principal residences within the local assessing unit that were exempt from the collection of taxes under this section in tax year 2019 or 2020, or both. The local assessing unit may require the owner of a principal residence exempt from the collection of taxes under this subsection to affirm ownership, poverty, and occupancy status in writing by filing with the local assessing unit the form prescribed by the state tax commission under subsection (2)(a).
- (12) A local assessing unit that adopts a resolution under subsection (6) or (8) must develop and implement an audit program that includes, but is not limited to, the audit of all information filed under subsection (2). If property is determined to be ineligible for exemption, as a result of an audit, the person who filed for the exemption under subsection (2) is subject to repayment of additional taxes including interest to be paid as provided in subsection (9)(b). The state tax commission shall issue a bulletin providing further guidance to local assessing units on the development and implementation of an audit program under this subsection.
- (13) As used in this section, "principal residence" means principal residence or qualified agricultural property as those terms are defined in section 7dd.

BE IT ALSO RESOLVED that the board of review shall follow the above stated policy and federal guidelines in granting or denying an exemption unless the board of review determined there should be a deviation from the policy and federal guidelines and these are communicated in writing to the claimant.

YEAS: Bekken, Dean, Leo, Lewis, Stanton, Trester

NAYS: None

ABSTAIN: None

ABSENT: Peterson

The **Mayor** declared the resolution adopted this 25 day of January 2021.

Signed: Erin Wilkinson
Erin Wilkinson, City Clerk

I, Erin Wilkinson, the duly appointed clerk for The City of Saugatuck, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by Saugatuck City Council at the regular meeting held on January 25, 2021, in compliance with the Open Meetings Act, Act No 267 of the Public Acts of Michigan, 1976, as amended, and at which meeting a quorum was present by a roll call vote and said members as herein before set forth; that said resolution was ordered to take immediate effect. The minutes of the meeting were kept and will be or have been made available as required by said Act.

Signed: Erin Wilkinson
Erin Wilkinson, City Clerk

