

RESOLUTION

Shelby Township, Oceana County

Resolution establishing poverty guidelines for exemption from property tax contributions

Resolution #240205-2

Whereas, the adoption of guidelines for poverty exemptions is within the purview of the township board; and

Whereas, the homestead of persons who, in the judgment of the supervisor and 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 Public Act 390, 1994(MCL 311.7u); and

Whereas, pursuant to PA 390, 1994, Shelby Township, Oceana County adopts the following guidelines for the Supervisor and 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 year or immediately preceding year.

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

- 1) Be an owner of and occupy as a homestead the property for which an exemption is requested.
- 2) File a claim with the Supervisor or Board of Review, showing the income of all persons residing in the home stead from all sources accompanied by federal and state income tax returns, or an affidavit for all persons residing in the home who were not required to file a federal or state tax return in the current year or the currently preceding year (Treasury Form 4988), including:
 - Money, wages, and salaries before any deductions
 - Net receipts from non-farm self-employment
 - Net receipts from farm self-employment
 - Regular payments from social security, railroad retirement, unemployment, worker's compensation, veteran's payments, and public assistance
 - Alimony, child support, and military family allotments
 - Private pensions, governmental pensions, and regular insurance or annuity payments
 - College or university scholarships, fellowships, and assistantships
 - Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings
 - Exclude any homestead property tax credit returns filed and the value of bridge cards received in the current year or immediately preceding year.
- 3) Produce a valid driver's license or other form of identification if requested.
- 4) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested, if requested by the Board of Review.
- 5) Meet the guidelines for the following:
 - A. Federal poverty income level as defined and determined annually by the United States Department of Health and Human Services.
 - B. Asset test as defined and determined by the Shelby Township Board.

- 6) The application for an exemption shall be filed after January 1, but before the day prior to the last day of the Board of Review.
- 7) The guidelines apply to individuals and not to corporations, partnerships, associations, or trusts. In the event that a partnership, association, or co-owners apply, the guidelines apply to the total assets of all individuals involved.
- 8) The guidelines apply to both an owner of a life estate and all remainder interest together.
- 9) A number of factors will be weighed in order to determine whether an applicant qualifies for an exemption. Factors analyzed will include the following:
 - A. Income levels
 - B. Total value of liquid assets
 - C. Total non-homestead real property
 - D. Total acreage owned
 - E. Non-essential personal property
 - F. Total value of all assets
 - G. Gifts made within 10 years
 - H. Employability
 - I. Retirement account value, IRA, 401K, etc.
 - J. Other factors suggesting an individual's worth, including but not limited to life insurance, businesses, lawsuits, judgments due, etc.

INCOME TEST

- 10) The following are the poverty income guidelines as defined by the U.S. Department of Health and Human Services for 2023. The allowable income includes the income of all persons residing in the principal residence.

Family Size	2024 Income
1	\$16,100
2	\$20,300
3	\$25,600
4	\$31,000
5	\$36,300
6	\$41,600
7	\$47,000
8	\$52,300
Additional	\$5,300

ASSET TEST

- 11) Total liquid assets must not exceed the value of \$10,000. Assets beneath \$10,000 shall be considered together with other factors in order to determine eligibility. Liquid assets shall be considered cash, unrestricted deposits and accounts, securities, bonds, promissory notes, stocks, and other similar type of assets.
- 12) Total non-homestead and non-qualified agricultural real property shall not exceed the value of \$15,000.

- 13) The non-essential personal property shall not exceed \$5,000. Non-essential personal property includes but is not limited to:
- Horses
 - Recreational vehicles such as campers, motor homes, boats, snowmobiles, personal watercrafts, all-terrain vehicles, motorcycles, etc.
 - Any passenger cars or light trucks in excess of one per licensed driver residing in the homestead.

The purpose of this factor is to exclude from poverty consideration those individuals who have purchased recreational, hobby or sporting property which is not related to essential needs.

- 14) Additional assets will be added to liquid and non-homestead and non-qualified agricultural property values and non-essential personal property values to determine total net assets. Additional assets include:
- Buildings other than the residence
 - Jewelry
 - Artworks
 - Tools and equipment
 - Money received from the sale of property such as stocks, bonds, a house or a vehicle unless a person is in the specific business of selling such property.
 - Withdrawals of bank deposits and borrowed money.
 - Gifts, loans, lump-sum inheritances, and one-time insurance payments.
 - Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
 - Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, and school lunches.

- 15) Total net assets must not exceed \$50,000. Total net assets below \$50,000 shall be considered together with other factors in order to determine eligibility.

OTHER FACTORS

- 16) The guidelines consider employability factors of the individual applicants as well as other adults living in the residence and may result in denial or reduction of the exemption on a case-by-case basis. Factors here include but are not limited to attempts to find employment; physical, mental, and experiential abilities, voluntary loss of employment or employment opportunities, etc.
- 17) The guidelines include an analysis of all gifts given by the applicants within ten (10) years. An applicant cannot divest him or herself of assets and then claim poverty. No fixed amount is set as a factor as each applicant must be handled on a case-by-case basis.
- 18) It is possible for an applicant to qualify under each separate factor but not qualify when all factors are considered together. The following are examples of how a combination of factors may disqualify a person:
- A. An applicant has a total asset value of \$40,000 but gave away \$20,000 within the last ten years.
 - B. An applicant qualifies under the income or asset factors but recently spent \$10,000 for a life insurance policy with his or her children as beneficiaries.
 - C. The applicant qualifies under asset or income levels but voluntarily quit a well-paying job.

In addition to weighing the individual factors, the Board of Review and Supervisor shall evaluate all of the factors together in order to determine if the applicant is in a poverty condition.

NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Review shall follow the above stated policy in granting or denying an exemption.

The foregoing Resolution offered by Board member Scott Meyers and seconded by Board member Marilyn Glover.

Upon Roll Call vote, the following Voted:

Aye: 5

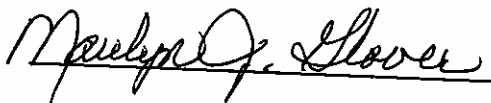
Nay: 0

Absent: None

CERTIFICATION

I, the undersigned and duly qualified and acting clerk of Shelby Township, Oceana County, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Township Board at a regular meeting held on February 5, 2024, the original of which is on file at my office and that public notice of said meeting was given pursuant and in compliance with Acts 267 of the Public Acts of Michigan of 1976, as amended.

IN WITNESS THEREOF, I have affixed by official signature this 5th day of February 2024.



Marilyn J. Glover – Township Clerk