

CITY OF ALPENA
COUNCIL POLICY STATEMENT

General Subject: Property Taxes	CPS No.	<u>21</u>
Specific Subject: Guidelines for Poverty Exemption	Date Issued:	<u>2-19-96</u>
	Effective Date:	<u>2-20-96</u>
	Revised Date:	<u>5-21-96</u>
	Amended:	<u>5-05-08</u>
	Amended:	<u>7-21-08</u>

Copies to: City Council, City Manager, City Attorney, Department Heads, DDA, File

PURPOSE:

The purpose of this policy is to establish guidelines for poverty exemption from real property tax.

STATEMENT OF POLICY:

1. To be eligible for a poverty exemption in the City of Alpena, a person must be the owner and must occupy the property as their principal residence for which the exemption is requested; file a letter of application with the City Assessor; file copies of federal and state income tax returns for all persons residing in the homestead, including any property tax credit forms and/or statement of benefits paid from Michigan Department of Social Services or Social Security Administration; meet current federal poverty income guidelines.
2. The applicant must have an annual dividend income (taxable & non-taxable) less than \$1,400.
3. The applicant's asset level, excluding the principal residence property, may not exceed \$40,000.
4. The applicant may not have ownership interest in any real estate other than the property on which their principal residence is located.
5. Poverty exemption from the Real property tax shall be on an annual basis. Applications must be filed with the March, July, or December Board of Review each year the exemption is sought.
6. The Board of Review may request identification of the applicant or proof of ownership of the principal residence property under consideration for poverty exemption.
7. The Board of Review may request any supporting documents which may be utilized in determining a poverty exemption request.
8. The completed poverty exemption application must be filed after January 1, but before the day prior to the last day of the Board of Review in the year for which the exemption is sought.
9. The Board of Review may deviate from the established policy and guidelines only for substantial and compelling reasons. The applicant will be notified in writing of the reasons for deviating from policy and guidelines for poverty exemption.

10. The Board of Review may grant exemption in whole or part based on the application and documentation filed.

Poverty Exemption as defined by the Michigan Compiled Laws is as follows:

Section 211.7u: The principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act. This section does not apply to the property of corporations.

An applicant for poverty exemption must also comply with the following section of the Michigan Compiled Laws:

Section 211.118: Perjury: Any person who, under any of the proceedings required or permitted by this act shall willfully swear falsely, will be guilty of perjury and subject to its penalties.

Section 211.119: Willful Neglect: A person who willfully neglects or refuses to perform a duty imposed upon that person by this act, when no other provision is made in this act, is guilty of a misdemeanor, punishable by imprisonment for not more than six months, or a fine of not more than \$300.00, and is liable to a person injured to the full extent of the injury sustained.

Attachment