



Tyrone Township

Assessing Department

8420 Runyan Lake Road, Fenton, MI 48430

Phone: (810)629-8631 / Fax: (810)629-0047

POLICY AND GUIDELINES FOR APPLICANTS REQUESTING POVERTY EXEMPTIONS

MCL 211.7u, as amended, provides that:

- (1) Homesteads of persons who, in the judgment of the Board of Review, by reason of poverty, are unable to contribute toward the public charges are eligible for exemption in whole or in part from taxation under the General Property Tax act.

The following policy and guidelines have been adopted by the Tyrone Township Board to govern the granting of poverty exemptions:

APPLICATION PROCEDURE

1. Eligibility and Application: To be eligible for a hardship or poverty exemption the applicant must be both the property owner and taxpayer. Applicant cannot be a corporation, trust or other business entity and must do all of the following on an annual basis:
 - a. Be an owner of and occupy as a homestead the property for which an exemption from property taxes is requested. "Homestead" means that term as defined in section 508 of the Michigan Income Tax Act, being MCL 206.508, as amended.
 - b. File with the Township Assessor a completed Poverty Exemption Application (copy attached) provided by the Assessor's office. APPLICATION MUST BE ACCOMPANIED BY FEDERAL AND STATE INCOME TAX RETURNS FOR ALL PERSONS RESIDING IN THE HOMESTEAD, INCLUDING ANY PROPERTY TAX CREDIT RETURNS, filed in the immediately preceding year and in the current year.
 - c. Produce a valid driver's license or other acceptable form of identification if requested by the Assessor or Board of Review.
2. Filing period and Appearance: Fully completed Poverty Exemption Applications with required supporting information will be accepted until one week prior to the last meeting of the Board of Review. All poverty applications will be heard at the Board of Review. The filing of a completed application with required supporting documentation shall constitute an appearance before the Board of Review for the purpose of preserving the applicant's right to further appeal the decision of the Board of Review to the Michigan Tax Tribunal.

EVALUATION PROCEDURE

1. Meetings: Meetings of the Board of Review relative to Poverty Exemption applications shall be held in compliance with the Michigan Open Meetings Act.
2. Applicant's Presence: The Board of Review may request an applicant to personally appear before the Board to respond to any questions the Board of Review or Assessor may have.
3. Investigation: Applicants for Poverty Exemption may be investigated by Tyrone Township to verify information submitted or statements made to the Board of Review or Assessor.
4. Oath: Applicants appearing before the Board of Review may be administered an oath affirming that the information submitted; both written and verbal is the truth.
5. Criteria for Determining Exemption: The Board of Review shall consider the following three (3) criteria to determine whether a poverty exemption shall be granted:
 - a. Income: The total income of the applicants and each member of the applicant's household shall not exceed the income standards as adopted by resolution of the Tyrone Township Board to be the Federal Poverty Income Guidelines which are determined annually by the United States Department of Health and Human Services. Income levels SHALL NOT BE SET LOWER than the Federal Poverty Income Guidelines.
 - b. Assets: The value of the Homestead will not be included when determining the assets of the applicant. The assets of the applicant and each member of the applicant's household shall be examined to determine whether the assets could be reasonably invested, sold or used to pay the property taxes. The Township of Tyrone's maximum cumulative value of assets allowed for a Poverty Exemption shall be \$10,000.
 - c. Contribution from Other Sources: If the Board of Review determines the applicant receives contribution toward taxes from other sources, such as a trust, inheritance, co-owner, relative, dependent, friend or occupant of the homestead, the Board of Review may consider the amount of such contributions as an addition to the applicant's income. If the resulting sum exceeds the Income Guidelines as adopted by the Tyrone Township Board then a hardship or poverty exemption shall be denied.
6. Granting of Exemption: If the applicants:
 - a. Total household income from all sources does not exceed the Income Guidelines adopted by the Tyrone Township Board; and
 - b. Does not have assets which can reasonably be invested, sold or used to pay the property taxes; and
 - c. Does not receive or reasonably expect to receive a contribution toward taxes from other sources, The Board of Review may reduce the taxable value of the subject property and tax liability of the taxpayer.
7. Deviation from Poverty Policy and Guidelines: The Board of Review shall follow the Policy and Guidelines as set forth herein for granting or denying Poverty Exemptions unless the Board of Review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines. The substantial reasons shall be communicated in writing to the applicant.



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2021 POVERTY INCOME GUIDELINES

Size of Family Unit	Household Income
1	\$12,760
2	\$17,240
3	\$21,720
4	\$26,200
5	\$30,680
6	\$35,160
7	\$39,640
8	\$44,120
For each additional person	\$4,480

ASSET TEST

The Township of Tyrone's cumulative value of assets allowed for a Poverty Exemption shall be \$10,000. The purpose of an asset test is to determine the resources available: cash, fixed assets or other property that could be converted to cash and used to pay property taxes in the year the poverty exemption is filed. A list of "assets" includes, but is not limited to:

- A second home, land, vehicles.
- Recreational vehicles such as campers, motor-homes, boats, and ATV's.
- Buildings other than the residence.
- Jewelry, antiques, artwork.
- Equipment, other personal property of value.
- Bank accounts, stocks.
- Money received from the sale of property, such as stocks, bonds, a house or car (unless a person is in the specific business of selling such property).
- Withdrawals from bank deposits and borrowed money (including reverse mortgage's).
- 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.

"Assets" do not include the value of the principal residence and do not include the homestead property tax credit as it is not to be considered income for poverty exemptions purposes. Assets exempt from consideration are the homesteaded property with furnishings and one motor vehicle. That motor vehicle shall be valued no greater than \$10,000.