

**CITY OF ALBION
CALHOUN COUNTY, MICHIGAN**

**GUIDELINES FOR APPLICANTS REQUESTING
CONSIDERATION FOR 2007 POVERTY EXEMPTIONS**

BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. REQUESTS FOR INFORMATION MAY BE RELEASED TO THE PUBLIC.

1. All applicants must obtain and fill out the attached application. It must be given to the local Assessor no later than:

5:00 PM Friday, March 16, 2007 for action by the March Board of Review *or*

5:00 PM Friday, July 13, 2007 for action by the July Board of Review *or*

5:00 PM Friday, December 07, 2007 for action by the December Board of Review

2. Applicants must own and occupy the homestead property for which the exemption is requested. The homestead percentage, as determined by General Property Tax Law 211.7dd, will determine the percentage of property that can be considered for exemption.

“Homestead” means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling unit. Homestead also includes all of an owner’s unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. A road or a right-of-way does not break contiguity. Homestead also includes any portion of a principal residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

“Qualified agricultural property” means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 2 of the Farmland and Open Space Preservation Act, Act No. 116 of the Public Acts of 1974, being section 554.702 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel’s acreage is devoted to agricultural use. An owner shall not

receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

3. Applicant's homestead must have a true cash value less than or equal to **\$70,868**. The Assessor calculates this value each year. It is based on the average true cash value of all residential property in the City of Albion as shown on last year's assessment roll.

4. Applicants cannot be considered for exemption if their total household gross income exceeds the following amounts:

<i>Family Size</i>	<i>Annual Household Income</i>	<i>Monthly Household Income</i>
A family of one (1) shall make no more than	9,800	816
A family of two (2) shall make no more than	13,200	1,100
A family of three (3) shall make no more than	16,600	1,383
A family of four (4) shall make no more than	20,000	1,667
A family of five (5) shall make no more than	23,400	1,950
A family of six (6) shall make no more than	26,800	2,233
A family of seven (7) shall make no more than	30,200	2,516
A family of eight (8) shall make no more than	33,600	2,800
For each additional person add	3,400	283

5. Cash assets for the total household may not exceed an amount equal to one month's gross household income (see above table).
6. Non-cash assets (See II Assets, Section A-E) for the total household may not exceed **\$6158.00**. The following assets are excluded from this limit:
- Applicant's homestead property
 - Applicant's household personal property
 - One vehicle used for personal transportation and titled to a member of the household
 - Applicant's interest in Indian trusts lands
 - Assets not accessible by the applicant, co-owner or any member of the applicant's household.
7. All applicants, if approved by the Board of Review, will pay taxes equal to 3.5% of their total household gross income. Applicants over 65, paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416, will pay taxes equal to the following percentages:

Total household gross income less than \$3,000	0%
Total household gross income \$3,001 to \$4,000	1.0%
Total household gross income \$4,001 to \$5,000	2.0%
Total household gross income \$5,001 to \$6,000	3.0%
Total household gross income greater than \$6,000	3.5%

8. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner, and all members of the household. Any attempt to hide and/or

shift income and/or assets to another person, business or corporation shall be grounds for immediate denial.

9. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Heating Credits.
10. Applications must be filed every year. If granted, exemptions are in effect for one year only.
11. Poverty exemptions shall be granted no more than three (3) times during one ownership of the property. The Board of Review may grant exceptions for persons over 65, paraplegic, quadriplegic, hemiplegic, or totally and permanently disabled (as defined under Social Security Guidelines 42 USC 416).
12. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if asked by the Board of Review.
13. The Board of Review will review applications. The Board may ask applicants or their authorized agents to be physically present to answer questions.
14. Applicants or their authorized agents may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in their home at a meeting that is open to the public.
15. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
16. The Board of Review shall follow the policy and guidelines established by the **City Council of the City of Albion** granting or denying an exemption.
17. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons. Compelling reasons includes, but is not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons. Reasons will be communicated, in writing, to the applicant.
18. Applicants may be subject to investigation of their entire financial and property records by the City. This would be done to verify information given or statements made to the Board of Review or Assessor in regard to their poverty tax claim.
19. Household income limits are updated each year, using the poverty thresholds established by the *U.S. Office of Management and Budget*.
20. Applicants will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. An assessor may also

appeal the Board's decision. Appeals must be filed with the Tribunal by the following dates:

June 10, 2007 for decision made by March Board of Review

August 14, 2007 for decision made by July Board of Review

January 08, 2008 for decision made by December Board of Review

**BOARD OF REVIEW
DECLARATION OF POVERTY AND
REQUEST FOR TAX RELIEF APPLICATION**

Property ID Number: _____ Current SEV:

Property Address:

APPLICANT INFORMATION

IMPORTANT: It is necessary that you fill out this petition as carefully as you can. All questions must be answered. Please have supporting information such as contracts, mortgage receipts, tax receipts, bank books, etc. available. An investigator may call at your home to examine your records. **NOTE:** Any person making a false petition for the purpose of exemption from taxation shall be guilty of the crime of perjury, and shall be punished accordingly.

I (We) hereby appeal to the Board of Review for a reduction of taxable valuation because of inability to contribute fully toward the public charges by reason of **POVERTY.**

Name of Owner and Co-Owners:

Street Address:

City, State, Zip: _____ Phone Number:

Did you or a co-owner apply for a Michigan Homestead Property Tax Credit? Yes _____
no _____

If YES, did you receive a refund or tax credit? ___ refund ___ credit How Much \$

If NO, why not:

OWNERS:

Social Security # _____

Age as of Dec 31st: _____

Are you blind ___ YES ___ NO

Are you paraplegic, hemiplegic or quadriplegic? _____ YES _____ NO

Are you totally and permanently disabled as defined under Social Security Guidelines 42 USC 416?

_____ YES _____ NO

Are you a Veteran with service connected disability? _____ YES _____ NO

If YES, what % disability? _____%

Are you a surviving spouse of a Veteran with a service connected disability? _____ YES
_____ NO

If YES, what % disability? _____%

Are you a surviving spouse of a veteran deceased in service? _____ YES _____ NO

Are you a veteran of wars before WWI, pensioned veteran, their surviving spouses, or active military?

_____ YES _____ NO

Are you a surviving spouse of a non-disabled or non-pensioned veteran of the Korean War, WWII, or WWI?

_____ YES _____ NO

CO-OWNERS:

Social Security # _____

Age as of December 31st: _____

Are you blind? _____ YES _____ NO

Are you paraplegic, hemiplegic or quadriplegic? _____ YES _____ NO

Are you totally and permanently disabled as defined under Social Security Guidelines 42 USC 416?

_____ YES _____ NO

Are you a Veteran with service connected disability ? _____ YES _____ NO

If YES, what % disability? _____%

Are you a surviving spouse of a Veteran with a service connected disability? _____
YES _____ NO

If YES, what % disability? _____%

Are you a surviving spouse of a veteran deceased in service? _____ YES _____ NO

Are you a veteran of wars before WWI, pensioned veteran, their surviving spouses, or active military?

_____ YES _____ NO

Are you a surviving spouse of a non-disabled or non-pensioned veteran of the Korean War, WWII, or WWI?

_____ YES _____ NO

Has an *Affidavit for Homestead Exemption From Some School Taxes* been filed for this property?

_____ YES _____ NO If YES, what percent (%) exemption was granted
_____%

SUBSTANTIAL & COMPELLING REASONS

In the spaces below list any substantial and compelling reasons you feel the Board should consider during the evaluation of this petition.

List all persons living in the household (including yourself):

<i>Last Name</i>	<i>First Name</i>	<i>Age</i>	<i>Relationship</i>	<i>Employment</i>

INCOME & ASSETS

SECTION A: Schedule of Family Income

DO NOT INCLUDE THE FOLLOWING:

Money received from the sale of property such as stocks, bonds, a house, or a car unless a person is in the business of selling such property.

- Withdrawals of bank deposits and borrowed money.
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms.
- Federal non-cash benefit programs such as Medicare, Medicaid, food stamps, school lunches.

INCLUDE INCOME OF ALL PERSONS RESIDING IN THE HOME

1. Salaries, wages, tips & other employee compensation (include strike, sick and sub pay)	\$
2. Cash in Hand (including balances in checking and savings accounts)	
3. All dividends and interest (including US, state and municipal bond interest)	
4. Net rent, royalty, business, gambling or lottery income	
5. Annuity and pension benefits: Name of payer _____	
6. Net farm income	

7. All Capital gains less capital losses	
8. Alimony and other taxable income: Describe _____	
9. Other adjusted income	
10. Social Security, supplemental income (SSI) or railroad retirement Benefits	
11. Unemployment compensation & trade readjustment allowance (TRA) Benefits	
12. Child Support, Military Family Allotments	
13. College or university scholarships, grants, fellowships and assistant fellowships	
14. Other non-taxable income: Describe _____	
15. Worker's compensation, veteran's disability compensation & Pension benefits	
16. ADC, GA or Emergency Assistance benefits	
17. All other public assistance payments (home heating credit, Michigan property tax credit, etc.) Describe _____	
18. Income from real estate	
19. <i>SUBTOTAL:</i> (add lines 1 through 18)	\$
20. Insurance premiums you paid for medical care for yourself and family	
21. <i>TOTAL HOUSEHOLD INCOME:</i> (subtract line 20 from line 19)	\$

II. ASSETS

SECTION A: Investments

On spaces below, list all cash, stocks, bonds, mortgages, land contracts, annuities, US Savings Bonds or any other investments you, the co-owner or any member of your household has.

<i>Description of Investment</i>	<i>Present Value</i>	<i>Income Earned Last Year</i>

SECTION A, SUBTOTAL:

\$ _____

SECTION B: Real Estate

In the spaces below, list all property owned in full or in part by you, the co-owner or any member of your household (houses, land, cottages, garages, stores, etc.) Do not list the property this application is being applied for.

<i>Address of Property</i>	<i>Owner</i>	<i>Market Value</i>	<i>Taxes</i>	<i>Income</i>

SECTION B, SUBTOTAL:

\$ _____

SECTION C: Life Insurance Policies

In the spaces below, list all the insurance policies held by you, the co-owner, or any member of the household.

<i>Insured</i>	<i>Amount of Policy</i>	<i>Amount Paid Monthly</i>	<i>Cash Value of Policy</i>	<i>Name of Beneficiary</i>	<i>Relation to Insured</i>
	\$	\$	\$		

SECTION C, SUBTOTAL:

\$ _____

SECTION D: Motor Vehicles

In the spaces below, list all automobiles, motorcycles, trucks, off-the-road vehicles, etc. owned by you, the co-owner or any member of the household.

<i>Make & Model</i>	<i>Year</i>	<i>License Number</i>	<i>Monthly Payment</i>	<i>Balance Ow</i>
			\$	\$

SECTION D, SUBTOTAL

\$ _____

SECTION E: All Other Assets

In the spaces below, list all other assets and their values that are owned or controlled by you, the co-owner or any member of the household. (For example, boats, coin collections, antiques, jewelry, silver, etc.)

<i>Type of Asset</i>	<i>Value</i>	<i>Owner</i>
	\$	

SECTION E, SUBTOTAL:

\$ _____

TOTAL ASSETS: Sections A - E

\$

EXPENSES

SECTION A: Debts

In the spaces below, list all outstanding debts that you, the co-owner, or any member of the household may have. Include mortgages, home improvement loans, chattel mortgages, finance company loans, personal loans, credit cards, automobile loans, etc. Do not include the mortgage payments for the property being applied for.

<i>Creditor</i>	<i>Purpose of Debt</i>	<i>Date of Debt</i>	<i>Original Balance</i>	<i>Monthly Payment</i>	<i>Balance Owed</i>
			\$	\$	\$

SECTION A, TOTAL DEBTS:

\$ _____

SECTION B: Subsistence Costs

In the spaces below, list the actual monthly household costs where available and estimate the others as closely as possible. You may be asked to verify your estimates with copies of bills and receipts.

<i>TYPE</i>	<i>Credits</i>	<i>Expenses</i>
1. Land Contract or Mortgage payment for homestead only Does this include an escrow amount for tax purposes <input type="checkbox"/> YES <input type="checkbox"/> NO		\$
2. Gas or Fuel Oil Did you receive a State of Michigan Home Heating Credit <input type="checkbox"/> YES <input type="checkbox"/> NO If YES list amount in "Credits" column	\$	
3. Electricity		
4. Water, Sewer, Garbage		
5. Food (exclude liquor, cigarettes, pet food, pop, etc.)		
6. Doctors & Medicine Do you have medical insurance? <input type="checkbox"/> YES <input type="checkbox"/> NO. If YES, who _____ Please be ready to provide a copy of your policy if so requested. Did you receive a State of Michigan Senior Citizen Prescription Drug Claim Credit? <input type="checkbox"/> YES <input type="checkbox"/> NO If YES list amount in "Credits" column	\$	
7. Homeowner's Insurance		
8. TOTAL SUBSISTENCE HOUSEHOLD EXPENSES		\$
9. TOTAL HOUSEHOLD CREDITS (Home heating & Senior Citizen Prescription Credit)	\$	
10. NET TOTAL SUBSISTENCE HOUSEHOLD EXPENSES (LINE 8 MINUS LINE 9)		\$

ADDITIONAL INFORMATION

With this petition you will need to submit last year’s copies of the following applicable documents for yourself, the co-owner, and every member of the household.

- 1. Federal, State and City Income Tax Returns – 1040 or 1040A and any schedules
- 2. All W-2 and 1099 forms
- 3. Michigan Homestead Property Tax Credit Claim MI-1040CR
- 4. Michigan Home Heating Credit
- 5. Social Security Benefit Statement Form SSA-1099
- 6. DSS Year End Total Payments Report
- 7. Statement from Friend of the Court
- 8. State Income Tax Return
- 9. City Income Tax Return

NOTE: DO NOT SIGN THIS PETITION UNTIL WITNESSED BY THE ASSESSOR, BOARD OF REVIEW MEMBER, OR NOTARY.

I (We), _____, being duly sworn, depose and state under the penalties for perjury, that the information contained in this petition and my (our) financial condition as above stated is true and correct and to the best of my (our) knowledge and belief.

I (We), the Co-Owner, or any member of the household has no money, income or property other than herein mentioned. I (We) hereby grant permission to review income tax files in order to process this petition.

I (We) authorize the Board of Review, City of Albion to obtain and utilize whatever documentation and/or information necessary.

Applicant

Applicant

Subscribed and sworn this _____ day of _____.

Witness for Board of Review

Print

name and title