

RESOLUTION #2022-4-1

JOHNSTOWN TOWNSHIP RESOLUTION TO ADOPT POVERTY

EXEMPTION INCOME GUIDELINES

2022

WHEREAS, the General Property Tax Act, MCL 211.7u, states that 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 in part from taxation under the General Property Tax Act; and

WHEREAS, a township board is required by MCL 211.7u to adopt guidelines for the poverty exemption;

NOW, THEREFORE, BE IT HEREBY RESOLVED, pursuant to MCL 211.7u, that Johnstown Township, Barry County, adopts the following guidelines for the supervisor and board of review to implement.

The guidelines shall include but not limited to the specific income and asset levels of the claimant and all persons residing in the household.

To be eligible for exemption under this section, a person must do all of the following on an annual basis;

- 1) Own and occupy as a principal residence the property for which an exception 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, and an affidavit in a form prescribed by the State Tax Commission may be accepted in place of the federal or state income tax return.
- 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 and exemption is requested if required by the Supervisor or Board of Review.
- 5) Meet the Federal Poverty income guidelines as defined and determined annually by the United States Office of Management and Budget.

2021 Federal Poverty Guidelines

Persons in family/ household	Poverty guideline
1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660

**For families/households with more than 8 persons,
add \$4,540 for each additional person.**

- 6) Meet additional eligibility requirements as determined by the Johnstown Township Board stated within the Johnstown Township Asset Level Test.

Asset Level Test

The following asset level test shall apply to all applications for poverty exemption.

- The applicant shall not have “**liquid**” assets (excluding the value of the principal residence subject to the exemption request) in excess of **two** (2) times the amount of the estimated tax obligation for the current year.
- The applicant shall not have “**total**” assets (excluding the value of the principal residence subject to the exemption request) in excess of **ten** (10) times the amount of the estimated tax obligation for the current year.

All asset information, as requested in the Application for Poverty Exemption must be completed in total. The Board of Review or Supervisor may request additional information and verification of assets if they determine it to be necessary and may reject any application if the assets are not properly identified.

Liquid Assets may include but are not limited to:

- Bank accounts
- Stocks and Bonds
- IRA’s and other investment accounts
- Pensions
- Money received from the sale of property such as stocks, bonds, a house or a car unless a person is in the specific business of selling such property.

In addition, total assets may also include but are not limited to:


- A second home
- Excess or vacant land
- Rental property
- Extraordinary automobiles
- Recreational vehicles such as snowmobiles, boats, camping trailers, travel trailers, motor homes, jet skis, motor cycles, off road vehicles, or anything else which may be considered a recreational vehicle
- Buildings other than the residence
- Equipment
- Other personal property of value
- Food or housing received in lieu of wages and the value of food and fuel produced and consumed on farms
- Jewelry, antiques, artwork
- Gifts, loans, lump-sum inheritances and one-time insurance payments
- Federal non-cash benefits programs such as Medicare, Medicaid, food stamps, school lunches.

BE IT ALSO RESOLVED that the Board of Review shall follow the above stated policy and federal guidelines in granting or denying an exemption.

The foregoing resolution offered by Board Member Powell and supported by Board Member Warren.


Upon roll call vote, the following voted "Aye": Warren, Powell, Nickerson, Babcock, Earl.
"Nay": None

The Supervisor declared the resolution adopted.



Township Clerk

I, Sheri Babcock, the duly elected and acting Clerk of Johnstown Township, hereby certify that the foregoing resolution was adopted by the Township Board of said Township at the Regular Meeting of April 13, 2022 at 7:30 p.m., which meeting a quorum was present, by vote of said members as hereinbefore set forth; that said resolution was ordered to make immediate effect.



Township Clerk

Date: April 13, 2022