

**NORWOOD TOWNSHIP
RESOLUTION 2 OF 2023
RESOLUTION ESTABLISHING POVERTY EXEMPTION
INCOME GUIDELINES AND ASSET TEST POLICY**

At a regular meeting of the Norwood Township Board held in the Norwood Township Hall located in Norwood, Michigan, on January 16, 2023.

PRESENT: Ben Freds, Brenda Freds, Doug Warner, Lynn Smolenyak, Mark Pirie

ABSENT: None

The following resolution was made by Doug Warner and seconded by Brenda Freds, to-wit:

Recitals

WHEREAS, 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 the collection of taxes under the General Property Tax Act, being Act 206 of the Public Acts of 1893, as amended; and

WHEREAS, the township board is required by Section 7u of the General Property Tax Act, MCL 211.7u, to adopt guidelines for poverty exemptions.

Resolution

NOW, THEREFORE, BE IT RESOLVED that the Norwood Township Board hereby establishes the following poverty exemption income guidelines and asset test policy:

**POVERTY EXEMPTION INCOME
GUIDELINES AND ASSET TEST POLICY**

- A. This policy applies to the principal residence of individuals and does not apply to the property of a corporation. For the purposes of this policy, "principal residence" means either of the following:
1. The one place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Except as otherwise provided in this subdivision, principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that

is owned and occupied by an owner of the dwelling or unit. Principal residence 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 by the owner. Principal residence also includes all of an owner's unoccupied property classified as timber-cutover real property under section 34c that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by boundary between local tax collecting units, a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Except as otherwise provided in this subdivision, principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders. Property that qualified as a principal residence shall continue to qualify as a principal residence for 3 years after all or any portion of the dwelling or unit included in or constituting the principal residence is rented or leased to another person as a residence if all of the following conditions are satisfied:

- (a). The owner of the dwelling or unit is absent while on active duty in the armed forces of the United States.
 - (b). The dwelling or unit would otherwise qualify as the owner's principal residence.
 - (c). Except as otherwise provided in this subparagraph, the owner files an affidavit with the assessor of the local tax collecting unit on or before May 1 attesting that it is his or her intent to occupy the dwelling or unit as a principal residence upon completion of active duty in the armed forces of the United States.
2. "Qualified agricultural property," which is defined to mean 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 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not

claimed a principal residence exemption on other property. Property shall not lose its status as qualified agricultural property as a result of an owner or lessee of that property implementing a wildlife risk mitigation action plan. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping 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 or if more than 50% of the parcel's acreage is devoted to a combination of agricultural use and is exempt under MCL 2117jj(1) as qualified forest property. 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. As used in this subdivision, "Wildlife risk mitigation action plan" means a written plan consisting of one or more projects to help reduce the risks of a communicable disease spreading between wildlife and livestock that is approved by the department of agriculture under the animal industry act, 1988 PA 466, MCL 287.701 to 287.746.

- B. A property owner(s) seeking an exemption under this policy shall file an application for the exemption with the board of review on a form prescribed by the state tax commission and provided by the township assessor after January 1 but before the day prior to the last day of the board of review.
- C. To be eligible for exemption under this policy, a property owner(s) shall comply with all of the following requirements on an annual basis:
 - (a). Be an owner of and occupy as a principal residence the property for which an exemption is requested. A property owner(s) shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the township assessor.
 - (b). File a claim with the board of review on a form prescribed by the state tax commission and provided by the township assessor 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. If a 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, an affidavit in a form prescribed by the state tax

commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

- (c). Produce a valid driver's license or other form of identification if requested by the supervisor or board of review.
 - (d). Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.
 - (e). Meet the income and asset guidelines provided in this policy.
- D. To be eligible for exemption under this policy, a property owner(s) shall meet the federal poverty income guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902. For 2022 the federal poverty income guidelines are as follows:

<u>Size of Family/Household</u>	<u>Maximum Total Income</u>
1	\$13,590
2	\$18,310
3	\$23,030
4	\$27,750
5	\$32,470
6	\$37,190
7	\$41,910
8	\$46,630
For each additional person add	\$4,720

- E. To be eligible for exemption under this policy a person shall not own real and personal property with a fair market value greater than \$5,000. For purposes of determining the maximum asset level, the following property shall be exempt: (1) the principal residence of the property owner(s), (2) one motor vehicle regardless of use, (3) motor vehicles and other vehicles used exclusively for business purposes, and (4) the proceeds from the sale of the principal residence of the property owner(s) if the sale occurred in the previous 12 months.
- F. The Norwood Township Board of Review shall follow this policy when deciding whether to granting or denying an exemption under this policy. If a property owner(s) claiming an exemption under this policy is qualified under Paragraphs D

and E of this policy, the board of review shall grant the exemption in whole or in part, as follows:

- (a). A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.
- (b). A partial exemption equal to 1 of the following:
 - (i). A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.
 - (ii). As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

YES: 5

NO: 0


RESOLUTION DECLARED ADOPTED.

NORWOOD TOWNSHIP

By: 
Ben Freds, Supervisor

I, the undersigned, the Clerk of the Township of Norwood, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of certain proceedings taken by said municipality at its regular meeting held on January 16, 2023 relative to adoption of the resolution therein set forth; that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Dated: 1/16/23


Brenda Freds, Clerk