

NORWOOD TOWNSHIP POVERTY EXEMPTION POLICY & GUIDELINES

The following *policy and guidelines*, adopted by the Norwood Township Board, shall be followed by the Township of Norwood Board of Review when considering *poverty exemptions according to P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL)*.

Application Guidelines: To be eligible for a Poverty Exemption in the Township of Norwood;

1. The primary applicant must own and occupy the property as their principle residence for a minimum of three *full* calendar years and shall satisfy all requirements of P.A. 390 of 1994 (Principle Residential Exemptions) and State Tax Commission Bulletin No. 5 of 1995. Property placed in a trust does not qualify as owned for poverty exemption purposes. All owners and occupants are required to sign Waivers of Confidentiality, Authorizations to Inspect the Property and permission to interview the applicants and verify the application.
2. All owners must include signed Federal and State Income Tax Returns for the most recent filing period, including supporting schedules, if the applicant is required to file an income tax return. If the applicant did not file Federal or State Tax Returns, the Michigan Department of Treasury Form 4988 must be filed.
3. Income and asset information is required for all owners and occupants of the property. Potential income and asset sources are (non-inclusive):

Income from all sources	Interest and dividends
Salaries & Wages before deductions	Pensions
Net receipts from self-employment	Supplemental security income
Veteran payments	Net rental income
Royalties	Scholarships & grants
Unemployment compensation	Insurance
Workers compensation	Retirement accounts
Alimony	Child support
General assistance	IRA/Keogh
Annuities	Social Security
Cash	New or reverse mortgages
Stocks & bonds	Checking & savings accounts
Investments	Money market accounts
Gifts	Assets in trust accounts
Deferred compensation	

4. The property's state equalized value (SEV) cannot be more than the Townships averaged state equalized value for residential properties adjusted annually.
5. Applicants must meet the Income Test and Asset Test to be eligible to apply to the Board of Review for a partial exemption of the property tax on their principle residence. Applications will be reviewed by the Board of Review in making a determination to grant or deny an exemption and if an exemption is granted, what percentage of the taxable value will be exempted.

Income Test

1. Eligible applicants will not exceed the Total Annual Household *Federal Poverty Income Guidelines* as adjusted annually.
2. As a minimum, eligible applicants will pay a property tax equal to three percent (3%) of their Total Annual Household Income.

Asset Test

Eligible applicants will have total assets at or below the asset limit listed below for the claimant and household.

1. Total assets, excluding the principle residence and personal property located therein and a primary vehicle, may not have a total value that exceeds \$2,500 for Claimant and \$5,000 for Household.

Evaluation Procedures

1. The Board of Review shall follow the above policy and guidelines when making poverty exemption decisions. The same standards shall apply to each claimant for the assessment year "unless the Board of Review determines there are substantial & compelling reasons why there should be a deviation from the policy and guidelines and the substantial & compelling reasons are communicated in writing to the claimant."
2. Medical and extraordinary hardship situations may be used to qualify applicants who do not otherwise meet the above income and asset tests.
3. The applicant should be prepared to answer questions regarding their financial affairs, health, status of people living in the household, and any other question relevant to the exemption request.
4. All information is subject to verification. The verification process can be used to determine future ineligibility.
5. The Assessor and Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.