

CITY OF LUDINGTON POVERTY EXEMPTION POLICY

Pursuant to MCL 211.7u, the City of Ludington adopts the following policy for the granting of poverty exemptions in the City of Ludington.

1. To be eligible for poverty exemption, a person 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 is requested.
 - b. Obtain and file an application with the Assessor accompanied by Federal and State Income Tax Returns for all persons residing in the homestead, including any Property Tax Credit Returns, Statement from Social Security Administration and/or Michigan Social Services as to monies paid to the applicant or other persons residing in the homestead, filed in the immediate preceding year or in the current year or a signed State Tax Commission Form 4988, Poverty Exemption Affidavit.
 - c. Produce a valid driver's license or other form of identification to the Assessor.
 - d. Produce a deed, land contract **or** other evidence of ownership of the property for which an exemption is requested.
 - e. Meet the federal poverty income guidelines as defined and determined annually by the United States Department of Health and Human Services or alternative guidelines adopted by the governing body providing the alternative guidelines do not provide eligibility requirements less than the federal guidelines.

The following are the federal poverty income standards as of December 31, 2020 for use in setting poverty exemption guidelines for 2021 assessments. These federal poverty income standards are updated annually by the United States Department of Health and Human Services. The annual allowable income includes income for all persons residing in the principal residence.

<u>Persons in Family/Household</u>	<u>Poverty Guidelines</u>
1	\$12,760
2	\$17,240
3	\$21,720
4	\$26,200
5	\$30,680
6	\$35,160
7	\$39,640
8	\$44,120

Each Additional Person \$4,480

2. All applicants must fill out an application form supplied by the Assessor, in its entirety, and return it, in person, to the Assessor after January 1, but before the day prior to the last day of the Board of Review. The applicant must sign the application at the Assessor's office when the application is returned.
3. Pursuant to PA 253, 2020, if a person claiming an exemption qualified under the eligibility requirements, 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 one 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.
4. The City Council may permit a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption and to permit a principal residence exempt for the first time from the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to three additional years after its initial year of exempt status without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption and if the person who establishes initial eligibility receives a fixed income solely from the public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits.

Both of the following apply to a person who obtains an extended exemption:

- a. The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:
 - i. The person ceases to own or occupy the principal residence for which the exemption was extended.
 - ii. The person experiences a change in household assets or income that defeats eligibility for the exemption.

If the person fails to file a rescission as required and the property is later determined to be ineligible for the exemption, the person is subject to repayment of any additional taxes with interest.

The assets of the applicant, other than the homestead, shall not exceed \$5,000 in value. For purposes of this paragraph, the Board of Review shall consider the value of the assets and shall not reduce such value by any indebtedness owed on such assets, or indebtedness otherwise owed by the applicant.

ADOPTED 12/9/96

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Revised 1/21/2013

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