

**Otsego Township Board Resolution #2024-1
to Adopt Poverty Exemption
Income Guidelines and Asset Tests**

WHEREAS, the homestead of persons who, in the judgment of the Otsego Lake Township Board of Review, by reason of poverty, are unable to contribute to the public charges is eligible for exemption in whole or part from taxation under the General Property Tax Act; and

WHEREAS, the Otsego Lake Township Board is required by Section 7u of the General Property Tax Act, Public Act 206 of 1893 (MCL 211.7u), to adopt guidelines for poverty exemptions;

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

The guidelines shall include but not be limited to the specific income standards and liquid and non-liquid asset tests of the claimant and all persons residing in the household.

To be eligible, a person shall meet all the following requirements on an annual basis:

1) Be an owner of and occupy as a homestead the property for which an exemption is requested.

2) File a claim with the board of review, accompanied by the following documents:

- Federal and state income tax returns for all persons residing in the homestead, including any property tax credit returns filed in the immediately preceding year or in the current year.
- If Applicant did not file a Federal or State Income Tax return, they must complete and file an Income Tax Exemption Affidavit for all persons residing in the residence who were not required to file in the current or in the immediately preceding year, and who did not meet the qualifications for receiving an EITC.
- Provide all W-2 forms.
- Provide copies of Social Security Benefit Statements for all persons residing in the household who receive Social Security benefits.
- Provide proof of all sources of income if not included on the W-2 Forms, including any check stubs or receipts of other persons living in the household, or from State or Federal Government Checks.
- Provide bank statements (current and preceding six months) of all checking and savings accounts.
- Provide copies of the most recent year's tax bills and taxable values of all property other than the Homesteaded/Principal Residence owned or partially owned by the Claimant.
- Provide a valid drivers' license or other form of identification if requested.
- Provide a deed, land contract, or other evidence of ownership of the property for which an exemption is requested.
- Provide copies of documents pertaining to any asset that evidences ownership and value, and any other documentation requested.

3) Claimant shall meet the federal poverty income guidelines as defined and determined annually by the United States Office of Management and Budget at the 100%, 75%, 50% and 25% levels.

4) In Addition to the federal poverty income guidelines claimant must also meet the following requirements of the following liquid and non-liquid asset tests:

- LIQUID ASSET TEST

A. Liquid assets may include, but are not limited to cash, bank accounts, stocks and bonds, IRA's, Roth's, other investment accounts, pensions, lump sum inheritance, money received or due from the sale of property, borrowed money, or any other liquid assets.

B. In order to be eligible for a full or partial exemption, the total value of the listed assets shall not exceed \$2,000.00.

- NON-LIQUID ASSET TEST

A. Non-liquid assets may include, but are not limited to non-exempt automobiles, recreational vehicles including but not limited to boats, snowmobiles, campers, travel trailers, motor homes, jet skis, motorcycles, off road vehicles, or other items of a similar nature, additional buildings other than the residence, equipment, jewelry, antiques, other art work, or any other personal property of value or any assets received in lieu of wages, real estate other than Applicant's principal residence or excess land that exceeds the footprint of the principal residence in excess of 10 acres.

B. In order to be eligible for a full or partial exemption, the total value of the listed assets shall not exceed \$25,000.00.

The foregoing resolution offered by Board Member Denise Pallarito and supported by Board Member Jeff Bergel.

Upon roll call vote, the following voted "Aye": Bergel; J Brown; Pallarito; Matelski; M Brown
"Nay:"

The Otsego Lake Township Clerk declares the resolution adopted.

Mary Brown
Mary Brown, Clerk

I, Mary Brown , the duly elected and acting Clerk of Otsego Lake Township, hereby certify that the foregoing resolution was adopted by the township board of said township at the regular meeting of said board held on February 15, 2024, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.

Mary Brown
Mary Brown, Clerk

APPROVED

BY _____ DATE _____