



# Bear Creek Township

373 N Division Rd  
Petoskey, MI 49770

## 2024 Poverty Exemption Guidelines

The following *guidelines*, adopted by Bear Creek Township, shall be followed by the Bear Creek Township 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 Bear Creek Township;

- 1) The primary applicant must own and occupy the property as their principle residence and shall satisfy all requirements of P.A. 390 or 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 for 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 Return, 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	New or reverse mortgages
Cash	Stocks & bonds
Checking & savings accounts	Investments
Money market accounts	Gifts
Assets in trust accounts	Deferred compensation

- 4) 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 (100%, 75%, 50%, or 25%) of the taxable value will be exempted.

### Income Test

- 1) Total Annual Household Income shall not exceed the following amount applicable to the number of persons living in the household:

<u>Number of Persons</u>	<u>2023 Poverty Guidelines</u>
1	\$14,580
2	\$19,720

3	\$24,860
4	\$30,000
5	\$35,140
6	\$40,280
7	\$45,420
8	\$50,560
Each Additional Person Add	\$5,140

- 2) Total Annual Household Income shall be based on Federal Poverty Income Guidelines and will be adjusted annually to agree to the federally established amount.
- 3) If an applicant is \$500 over the federal guidelines, then that applicant could qualify for a 75% exemption, \$1,000 over the federal guidelines, then that applicant could qualify for a 50% exemption and if the applicant is \$1,500 over the federal guidelines, then that applicant could qualify for a 25% exemption.

### 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:

	<u>Asset Limit</u>
Claimant	\$7,500
Household	\$10,000

### Evaluation Procedures

- 1) The Board of Review shall follow the above guidelines when making poverty exemption decisions. The same standards shall apply to each claimant for the assessment year.
- 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.