



City of Pontiac, Michigan

Department of Finance

Mayor Deirdre Waterman

February 4, 2021

**TO: PROPERTY OWNERS APPLYING FOR HARDSHIP EXEMPTION (FINANCIAL)
FOR THE TAX YEAR 2021 FROM THE CITY OF PONTIAC BOARD OF
REVIEW**

The Board of Review for the City of Pontiac has adopted uniform guidelines for determining poverty exemptions. Taxpayers whose income falls below a determined level may apply for a reduced assessment, based on income, assets and family size. The goal of this procedure is to adopt consistent standards for granting tax relief based on hardship. Please note: This application may reduce the taxable value of your property by 50%; however, it does not affect the homestead exemption affidavits, which reduces the tax rate. (Property taxes - taxable value x tax rate / 1,000).

Attached is a schedule, which outlines the eligibility guidelines as established by the Pontiac City Council. Please note that the State of Michigan Homestead Property Tax Credit and all pertinent income and expense data shall be used in the determination of eligibility. Attached is the Economic Hardship Exemption application form.

When the application is returned to the Treasurer's Office at City Hall or the Oakland County Equalization Office, 250 Elizabeth Lake Road in Pontiac, you shall also submit completed copies of your Federal and State Income Tax Returns, the General Homestead Property Tax Claim Form, MI-1040 CR-4, and the Senior Citizen Homestead Property Tax Form, MI-1040 CR-1.

It is not necessary for you to appear in person before the Board of Review. The Oakland County Equalization Office will submit your application to the Board for their consideration.

In order to provide time to review this application, it must be returned to the Treasurer's Office at City Hall or the Oakland County Equalization Office ON OR BEFORE MARCH 1st, JULY 1st, OR DECEMBER 1st, 2021. Please also note: You may only submit (on one of the days listed above) one application per year.

If you have any questions or need assistance, please contact the Oakland County Equalization Office at (248) 858-0776.

CITY OF PONTIAC AMENDED 2021 HARDSHIP EXEMPTION GUIDELINES

- 1) Applicant(s) shall obtain the hardship application form from the City of Pontiac Treasurer's Office or the Oakland County Equalization Department. Handicapped or disabled applicants may call the Assessor's Office to make necessary arrangements for assistance.
- 2) Applicant(s) must **own and occupy** the property as a homestead
 - a. Must produce a driver's license or other acceptable form of identification and determination of address.
 - b. Must produce a deed, land contract or other evidence of ownership.
- 3) Applicant(s) must complete the application form in its entirety and return to the Treasurer's or Equalization Office. Any application submitted to the Board of Review which has not been filled out in its entirety shall be denied by the Board of Review. Appeals of said denial shall be made to the Michigan Tax Tribunal.
- 4) Applicant(s) and other persons residing in the homestead must submit copies of the following documents from the current year:
 - a. Federal Income Tax Return- 1040, 1040A or 1040EZ
 - b. Michigan Income Tax Form MI-1040, MI-1040A or MI-1040EZ
 - c. Senior Citizens Homestead Property Tax Form MI-1040CR-1 (if applicable)
 - d. General Homestead Property Tax Claim MI-1040CR-4
 - e. ADC Annual Budget letter
 - f. Benefit Statement (pension, retirement or Social Security) with signed form 4988
 - g. Social Security Card (all persons living in the home)
- 5) A hardship exemption **shall not** be granted to any applicant who does not own and occupy the homestead.
- 6) A hardship exemption **shall not** be granted to any applicant who owns sellable property other than their homestead regardless of location.
- 7) A hardship exemption **shall not** be granted to any applicant whose assets exceed \$100,000. An applicant's homestead and principal vehicle shall be excluded from consideration as an asset.
- 8) Applicant(s) shall not be eligible for consideration if they do not meet the current year's Federal Income Limitation Guidelines adopted by the City of Pontiac:

Size of Family Unit	Poverty Guidelines
1	\$12,760
2	\$17,240
3	\$21,720
4	\$26,200
5	\$30,680
6	\$35,160
7	\$39,640

8	\$44,120
For each additional person, add	\$4,480

NOTE: If you have or expect unusual personal or family expenses which will affect your income, the Board of Review may consider adjustments to your income level.

- 9) ~~The maximum allowed reduction for hardship exemption shall be 50% of the net property taxes due after the State Homestead Credit applied based on Taxable Value of the homestead for the tax year.~~ Allowed reduction for hardship exemption shall be 50% of the net property taxes due.
- 10) All hardship exemptions shall be granted for the current tax year only or for the current tax year and future tax years 2022, 2023 and 2024. Applicant who receive a fixed income solely from public assistance that is not subject to significant annual increases (Federal Supplemental Security Income, Social Security disability or retirement benefits) is eligible to receive current tax year plus three future year Hardship Exemption.
- 11) Applications may be reviewed and acted upon by the Board of Review without applicant(s) being present. However, the Board may request that any or all applicants be physically present to respond to any questions the Board of Review or Assessor may have. This means that an applicant may be called to appear on short notice.
- 12) Applicant who receive the extended exemption for three future years due to receiving fixed income is required to file an affidavit rescinding the exemption within 45 days of no longer being eligible for the exemption.
- 13) Applicant(s) should be prepared to answer questions regarding their financial affairs, health, the status of people living in their home, etc.
- 14) Pursuant to state law, applicant(s) may apply for Hardship Exemption to only one session of the Board of Review (March, July, or December) and any appeal of the Board's decision shall be made to the Michigan Tax Tribunal.

**CITY OF PONTIAC
47450 WOODWARD
PONTIAC, MI 48342**

REQUIRED DOCUMENTS

Hardship Exemption applicants shall submit copies of the documents listed below to be considered for eligibility. Please attach these copies to your application.

- WARRANTY DEED or LAND CONTRACT or QUIT CLAIM DEED
- HOMEOWNER'S INSURANCE POLICY
- CURRENT FEDERAL INCOME TAX
- CURRENT MICHIGAN INCOME TAX
- GENERAL HOMESTEAD PROPERTY TAX MI-1040CR or SENIOR CITIZEN HOMESTEAD PROPERTY TAX
- INCOME FOR ALL PERSONS LIVING IN THE HOME:**
 - ADC BUDGET LETTER
 - PENSION BENEFITS
 - CURRENT YEAR SOCIAL SECURITY STATEMENT (Attached Form 4988 must be signed)
 - ALIMONY, CHILD SUPPORT
 - FIP, DHS, DISABILITY & WORKER'S COMPENSATION
 - OTHER INCOME
 - W-2 (WAGES UNDER \$5,000)
- EMPLOYER'S NAME & ADDRESS
- DRIVER'S LICENSE
- SOCIAL SECURITY CARD (all persons living in the home)

Application for MCL 211.7u Poverty Exemption

This form is issued under the authority of the General Property Tax Act, Public Act 206 of 1893, MCL 211.7u.

MCL 211.7u of the General Property Tax Act, Public Act 206 of 1893, provides a property tax exemption for the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges. This application is to be used to apply for the exemption and must be filed with the Board of Review where the property is located. This application may be submitted to the city or township the property is located in each year on or after January 1.

To be considered complete, this application must: 1) be completed in its entirety, 2) include information regarding all members residing within the household, and 3) include all required documentation as listed within the application. Please write legibly and attach additional pages as necessary.

PART 1: PERSONAL INFORMATION: Petitioner must list all required personal information.

Petitioner's Name:		Daytime Phone Number:		
Age of Petitioner:	Marital Status:	Age of Spouse:	Number of Legal Dependents:	
Property Address of Principal Residence:		City:	State:	ZIP Code:
<input type="checkbox"/> Check if applied for Homestead Property Tax Credit		Amount of Homestead Property Tax Credit:		

PART 2: REAL ESTATE INFORMATION: List the real estate information related to your principal residence. Be prepared to provide a deed, land contract or other evidence of ownership of the property at the Board of Review meeting.

Property Parcel Code Number:		Name of Mortgage Company:		
Unpaid Balance Owed on Principal Residence:	Monthly Payment:	Length of Time at this Residence:		
Property Description:				

PART 3: ADDITIONAL PROPERTY INFORMATION: List information related to any other property owned by you or any member residing in the household.

<input type="checkbox"/> Check if you own, or are buying, other property. If checked, complete the information below			Amount of Income Earned from Other Property:	
1	Property Address:	City:	State:	ZIP Code:
	Name of Owner(s):	Assessed Value:	Date of Last Taxes Paid:	Amount of Taxes Paid:
2	Property Address:	City:	State:	ZIP code:
	Name of Owner(s):	Assessed Value:	Date of Last Taxes Paid:	Amount of Taxes Paid:

PART 4: EMPLOYMENT INFORMATION: List your current employment information.

Name of Employer:			
Address of Employer:	City:	State:	ZIP Code:
Contact Person:	Employer Telephone Number:		

PART 5: INCOME SOURCES: List all income sources, including but not limited to: salaries, Social Security, rents, pensions, IRAs (individual retirement accounts), unemployment compensation, disability, government pensions, worker's compensation, dividends, claims and judgments from lawsuits, alimony, child support, friend or family contribution, reverse mortgage, or any other source of income, for all persons residing at the property.

Source of Income	Monthly or Annual Income (indicate which)

PART 6: CHECKING, SAVINGS AND INVESTMENT INFORMATION: List any and all savings owned by all household members, including but not limited to: checking accounts, savings accounts, postal savings, credit union shares, certificates of deposit, cash, stocks, bonds, or similar investments, for all persons residing at the property.

Name of Financial Institution or Investments	Amount of Deposit	Current Interest Rate	Name on Account	Value of Investment

PART 7: LIFE INSURANCE: List all policies held by all household members.

Name of Insured	Amount of Policy	Monthly Payments	Policy Paid in Full	Name of Beneficiary	Relationship to Insured

PART 8: MOTOR VEHICLE INFORMATION: All motor vehicles (including motorcycles, motor homes, camper trailers, etc.) held or owned by any person residing within the household must be listed.

Make	Year	Monthly Payment	Balance Owed

PART 9: HOUSEHOLD OCCUPANTS: List all persons living in the household.

First and Last Name	Age	Relationship to Applicant	Place of Employment	\$ Contribution to Family Income

PART 10: PERSONAL DEBT: List all personal debt for all household members.

Creditor	Purpose of Debt	Date of Debt	Original Balance	Monthly Payment	Balance Owed

PART 11: MONTHLY EXPENSE INFORMATION: The amount of monthly expenses related to the principal residence for each category must be listed. Indicate N/A as necessary.

Heating	Electric	Water	Phone
Cable	Food	Clothing	Health Insurance
Garbage	Daycare	Car Expenses (gas, repair, etc.)	
Other (type and amount)	Other (type and amount)		Other (type and amount)
Other (type and amount)	Other (type and amount)		Other (type and amount)

NOTICE: Per MCL 211.7u(2)(b), 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 must be submitted with this application. 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.

PART 12: POLICY AND GUIDELINES ACKNOWLEDGMENT:

The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under MCL 211.7u. In order to be eligible for the exemption, the applicant must meet the federal poverty 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, or alternative guidelines adopted by the governing body of the local assessing unit so long as the alternative guidelines do not provide income eligibility requirements less than the federal guidelines. The policy and guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets. The combined assets of all persons must not exceed the limits set forth in the guidelines adopted by the local assessing unit.

<input type="checkbox"/> The applicant has reviewed the applicable policy and guidelines adopted by the city or township, including the specific income and asset levels of the claimant and total household income and assets.

PART 13: CERTIFICATION:

I hereby certify to the best of my knowledge that the information provided in this form is complete, accurate and I am eligible for the exemption from the property taxes pursuant to Michigan Compiled Law, Section 211.7u.

Printed Name	Signature	Date
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This application shall be filed after January 1, but before the day prior to the last day of the local unit’s December Board of Review.

Decision of the March Board of Review may be appealed by petition to the Michigan Tax Tribunal by July 31 of the current year. A July or December Board of Review decision may be appealed to the Michigan Tax Tribunal by petition within 35 days of decision. A copy of the Board of Review decision must be included with the petition.

Michigan Tax Tribunal
PO Box 30232
Lansing MI 48909

Phone: 517-335-9760
E-mail: taxtrib@michigan.gov

Affirmation of Ownership and Occupancy to Remain Exempt by Reason of Poverty

This form is issued under the authority of Public Act 253 of 2020.

This form is to be used to affirm ownership, occupancy, and income status. MCL 211.7u(2) provides that, to be eligible for exemption under this section, a person shall, subject to subsection (6) and (8), annually affirm that the applicant owns and occupies as a principal residence, the property for which an exemption is requested.

PART 1: OWNER INFORMATION: Enter information for the person owning and occupying the residence.

Owner's Name:		Owner Telephone Number:	
Mailing Address:	City:	State:	ZIP Code:

PART 2: LEGAL DESIGNEE INFORMATION (Complete if applicable.)

Legal Designee Name:		Daytime Telephone Number:	
Mailing Address:	City:	State:	ZIP Code:

PART 3: ADDITIONAL PROPERTY INFORMATION: List information related to any other property owned by you or any member residing in the household.

City or Township (check the appropriate box and enter name) <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village		County:	
Name of Local School District:			
Parcel Identification Number:		Year(s) Exemption Previously Granted by Board of Review:	
Homestead Property Address:	City:	State:	ZIP code:

PART 4: AFFIRMATION OF OWNERSHIP, OCCUPANCY, AND INCOME STATUS (Check all boxes that apply.)

<input type="checkbox"/> I own the property in which the exemption is being claimed.
<input type="checkbox"/> The property in which the exemption is being claimed is used as my homestead. Homestead is generally defined as any dwelling with its land and buildings where a family makes its home.
<input type="checkbox"/> After establishing initial eligibility for the exemption, my income and asset status has remained unchanged and/or I receive a fixed income solely for 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.

PART 5: CERTIFICATION

I hereby certify to the best of my knowledge that the information provided on this form is true and I am eligible to receive an exemption from property taxes by reason of poverty pursuant to Michigan Compiled Law, Section 211.7u.

Owner or Legal Designee Name (print)	Signature of Owner or Legal Designee	Date
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Designee must attach a letter of authority.

LOCAL GOVERNMENT USE ONLY (DO NOT WRITE BELOW THIS LINE)

<input type="checkbox"/> Approved <input type="checkbox"/> Denied (Attach appeal instructions and provide to owner.)	Tax year(s) exemption will be posted to tax roll
CERTIFICATION – I certify that, to the best of my knowledge, the information contained in this form is complete and accurate.	
Assessor Signature	Date Certified by Assessor

Poverty Exemption Affidavit

This form is issued under authority of Public Act 206 of 1893; MCL 211.7u.

INSTRUCTIONS: When completed, this document must accompany a taxpayer's Application for Poverty Exemption filed with the supervisor or the board of review of the local unit where the property is located. MCL 211.7u provides for a whole or partial property tax exemption on the principal residence of an owner of the property by reason of poverty and the inability to contribute toward the public charges. MCL 211.7u(2)(b) requires proof of eligibility for the exemption be provided to the board of review by supplying copies of federal and state income tax returns for all persons residing in the principal residence, including property tax credit returns, or by filing an affidavit for all persons residing in the residence who were not required to file federal or state income tax returns for the current or preceding tax year.

I, _____, swear and affirm by my signature below that I reside in the principal residence that is the subject of this Application for Poverty Exemption and that for the current tax year and the preceding tax year, I was not required to file a federal or state income tax return.

Address of Principal Residence: _____

Signature of Person Making Affidavit

Date



City of Pontiac, Michigan

Department of Finance

Mayor Deirdre Waterman

To: Honorable Mayor and City Council

From: Sekar Bawa, Treasurer

Through: Darin Carrington – Finance Director

Date: February 4, 2021

Re: Resolution to amend the 2021 Poverty Guidelines approved by the City Council on December 15, 2020 (agenda item 6) and the approve the amended Federal Poverty Guidelines for 2021 and the City of Pontiac Board of Review Instructions for Applicants requesting Hardship Exemption consideration in accordance with the Public Act 253 of 2020 signed in to law on December 23, 2020.

Honorable Council President and City Council:

On an annual basis, the General Property Tax Act requires the governing body to adopt guidelines for the Board of Review to follow when considering applications for hardship exemptions. Homeowners granted hardship exemptions by the Board of Review are not required to pay 100% of the property taxes assessed against their homestead property in 2021.

City Council approved the revised poverty guidelines on December 15, 2020 in their Study session meeting. On December 23, 2020 Governor signed in to law Public Act 253 of 2020 that made several changes to the poverty exemption statute (MCL 211.7u) that impact how the city shall handle the exemption starting with the 2021 tax year.

Some of the key points include:

- City may pass a resolution to carry an exemption forward up to three years in the future for those persons who receive a fixed income solely from public assistance that is not subject to significant annual increases (Federal Supplemental security income, Social Security disability or retirement benefits).

- The act removes the Board's ability to deviate from the adopted policy/guidelines for substantial and compelling reasons
- A poverty exemption may be granted at 100%, or a partial may be granted at 50% or 25%. Any other partial exemption percentage reduction must be reviewed and approved by the State Tax Commission

Mayor would like to help and assist vulnerable poor citizens every way possible. To reduce the burden of the applicants who receive fixed income solely from public assistance that is not subject to significant annual increase Mayor recommends, if such an applicant is granted poverty exemption in tax year 2021 that exemption shall be carried forward in the tax years 2022, 2023 and 2024. A person receiving such extension shall file an affidavit rescinding the exemption within 45 days of no longer being eligible for the exemption.

Copies of the following reports are attached for your information:

1. Federal Poverty Guidelines for 2021
2. Summary of Changes to MCL 211.7u Poverty Exemption in Public Act 253 of 2020
3. Public Act PA 253 of 2020 –Enrolled Senate Bill No. 1234

At this time, the City Council is requested to adopt the following resolution:

WHEREAS, In accordance with State of Michigan Act No. 390 Public Acts of 1994, approved December 29, 1994, General Property Section 211. 7u (4). "The governing assessing unit shall determine and make public the policy and guidelines to use for granting the Hardship Exemptions. The guidelines shall include specific income and asset levels of the household;" and,

WHEREAS, The Pontiac City Council approved said Hardship Exemption Guidelines for 2021 on December 15, 2020 Study Session; and,

WHEREAS, on December 23, 2020 Public Act 253 of 2020 was signed into law and the Act made several changes to the poverty exemption statute (MCL 211.7u) that will impact how local units, assessors and Board of Review handle the exemption starting with the tax year

WHEREAS, PA 253 allows the City Council to grant extension for three more tax years (2022, 2023 and 2024) to the eligible persons who are qualified and granted Hardship Exemption for tax year 2021. NOW, THEREFORE, BE IT RESOLVED, that the Pontiac City Council hereby approves the attached revised Federal Poverty guidelines for the 2021, the amended 2021 City of Pontiac Board of Review Instructions for Applicants requesting Hardship Exemption consideration.

ATTACHMENT