



CITY OF BATTLE CREEK, MICHIGAN

OFFICE OF THE CITY ASSESSOR
STEVE HUDSON, CITY ASSESSOR

GUIDELINES FOR APPLICANTS REQUESTING POVERTY EXEMPTIONS

As of December 31, 2011

BY LAW, ALL BOARD OF REVIEW MEETINGS AND INFORMATION DISCUSSED ARE OPEN TO THE PUBLIC. EVIDENCE GIVEN TO THE BOARD OF REVIEW OR THE ASSESSOR IS SUBJECT TO THE FREEDOM OF INFORMATION ACT. INFORMATION REQUESTED UNDER THIS ACT MAY BE RELEASED TO THE PUBLIC.

1. All applicants must obtain and fill out the attached application. The application and all requested documents must be given to the local Assessor no later than:

March 12, 2012 for action by the March Board of Review *or*

July 17, 2012 for action by the July Board of Review *or*

December 11, 2012 for action by the December Board of Review

2. Applicants must own and occupy the homestead property for which the exemption is requested. The homestead percentage, as determined by General Property Tax Law 211.7dd, will determine the percentage of property that can be considered for exemption.

"Homestead" means that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and is owned and occupied as a principal residence by an owner of the dwelling unit. Homestead also includes all of an owner's unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied as a principal residence by the owner. Contiguity is not broken by a road or a right-of-way. Homestead also includes any portion of a principal residence of an owner that is rented or leased to another person as a residence as long as that portion of the principal residence that is rented or leased is less than 50% of the total square footage of living space in that principal residence. Homestead also includes a life care facility registered under the living care disclosure act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Homestead also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders.

"Qualified agricultural property" means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 2 of the Farmland and Open Space Preservation Act, Act No. 116 of the Public Acts of 1974, being section 554.702 of the Michigan Compiled Laws. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a homestead exemption on other property. Property used for commercial storage, commercial processing, operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel's acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

3. Applicants cannot be considered for exemption if their total household gross income exceeds the following amounts:

| FAMILY SIZE | ANNUAL HOUSEHOLD INCOME | MONTHLY HOUSEHOLD INCOME |
|---|-------------------------|--------------------------|
| A family of -1- shall make no more than | \$10,900.00 | \$908.34 |
| A family of -2- shall make no more than | \$14,700.00 | \$1,225.00 |
| A family of -3- shall make no more than | \$18,500.00 | \$1,541.67 |
| A family of -4- shall make no more than | \$22,400.00 | \$1,866.67 |
| A family of -5- shall make no more than | \$26,200.00 | \$2,183.34 |
| A family of -6- shall make no more than | \$30,000.00 | \$2,500.00 |
| A family of -7- shall make no more than | \$33,800.00 | \$2,816.67 |
| A family of -8- shall make no more than | \$37,600.00 | \$3,133.34 |
| For each additional person add | \$3,800.00 | \$316.67 |

4. Cash assets for the total household may not exceed an amount equal to one month's gross household income (see above table).

5. Non-cash assets for the total household may not exceed \$5,000. The following assets are excluded from this limit:

- Applicant's homestead property
- Applicant's household personal property
- One vehicle used for personal transportation and titled to a member of the household
- Applicant's interest in Indian trusts' lands
- Assets not accessible by the applicant, co-owner or any member of the applicant's household.

6. All applicants, if approved by the Board of Review, will pay taxes equal to 3.5% of their total household gross income. Applicants over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled as defined under Social Security Guidelines 42 USC 416, will pay taxes equal to the following percentages:

| | |
|---|------|
| Total household gross income less than \$3,000 | 0% |
| Total household gross income \$3,001 to \$4,000 | 1.0% |
| Total household gross income \$4,001 to \$5,000 | 2.0% |
| Total household gross income \$5,001 to \$6,000 | 3.0% |
| Total household gross income greater than \$6,000 | 3.5% |

7. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner, and all members of the household. Any attempt to hide and/or shift income and/or assets to another person, business or corporation shall be grounds for immediate denial.

8. The Board of Review will consider the effect of all Michigan Income Tax Credits the applicant receives or can receive. Credits include Homestead Property Tax Credits, Senior Citizen Prescription Drug Credits and Home Heating Credits.

9. Applications must be filed every year. If granted, exemptions are in effect for one year only.

10. Poverty exemptions shall be granted no more than three (3) times *during* one ownership of the property. The Board of Review may grant exceptions for persons over 65, paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled (as defined under Social Security Guidelines 42 USC 416).
11. Applicants must produce a driver's license or other acceptable identification if asked by the Board of Review. Applicants must also produce a deed, land contract or other proof of property ownership if asked by the Board of Review.
12. Applications will be reviewed by the Board of Review. The Board may ask applicants or their authorized agents to be physically present to answer questions.
13. Applicants or their authorized agents may have to answer questions regarding such subjects as financial affairs, health and/or the status of people living in their home at a meeting that is open to the public.
14. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
15. The Board of Review shall follow the policy and guidelines established by the Battle Creek City Commission in granting or denying an exemption.
16. The Board of Review may deviate from the guidelines if it determines there are substantial and compelling reasons. Compelling reasons include, but are not limited to, excessive medical expenses or excessive expenses necessary for the care of elderly or handicapped persons. Reasons will be communicated, in writing, to the applicant.
17. Applicants may be subject to investigation of their entire financial and property records by the City. This would be done to verify information given or statements made to the Board of Review or Assessor in regard to their poverty tax claim.
18. Household income limits are updated each year, using the poverty thresholds established by the Bureau of the Census.
19. Applicants will be sent a written notice of the Board's final decision. An applicant may appeal the Board's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board's decision. Appeals must be filed with the Tribunal within 30 days of the Board's final decision.