

**City of Gladstone  
Guidelines for Poverty Exemption Review**

**I. General Overview**

The City Commission recognizes the need to have an available procedure by which residents in need of assistance under MCL 211.7u can make an application for property tax relief.

The Commission further recognizes that, pursuant to statute, as well as case law, they must adopt procedures and guidelines for the City of Gladstone Board of Review, to be used as standards when considering appeals made based on financial hardship. These guidelines must be adhered to when reviewing hardship appeals, and grants to the Board of Review to make individual considerations within their authority. **Any form submitted that is inaccurate or not fully completed will result in a denial of the appeal.** All information in this form is subject to verification by the Board of Review.

**II. Basic Filing Requirements**

In order to be considered for exemption under MCL 211.7u each applicant must:

- a. Own and occupy the property as a homestead, defined by law, for which the request is being made. This may include vacant, contiguous property if it is considered part of the principal homestead.
- b. Apply for tax exemption on Michigan Department of Treasury form 5737, *Application for MCL 211.7u Poverty Exemption*.
- c. Submit income verification as requested. This may include current federal and state income tax returns, state homestead property tax credit forms, or any additional information requested by the Board of Review.

**III. Processing Application**

Once an application is completed and returned to the assessor's office, it will be reviewed by the assessor. The application will then be submitted to the Board of Review. In making their decision, the Board of Review may contact the applicant for any additional information they deem necessary. **The Board of Review shall also reject any application where the information contained in it appears to be fraudulent, misleading, or incomplete.**

**IV. Income Guidelines**

Household Income	Exemption Granted
Income at or below previous year Federal Poverty Income Guidelines	100%
1% to 25% over previous year Federal Poverty Income Guidelines	75%
26% to 50% over previous year Federal Poverty Income Guidelines	50%
51% to 75% over previous year Federal Poverty Income Guidelines	25%
75% over previous year Federal Poverty Income Guidelines	0%

The income guidelines used by the Board of Review have been established in accordance with MCL 211.7u and shall be adhered to. The Board of Review shall consider every variable on the application, including total household income and the quality and accuracy of the information submitted and any other evidence as they feel appropriate in making their decision. In general, these guidelines shall assist the Board of Review in making their decisions.

## **V. Asset Guidelines**

As required by P.A. 390 of 1994, all guidelines for poverty exemptions as established by the governing body of the local assessing unit SHALL also include an asset level test. The following assets shall not be considered when applying an asset test to determine qualifications for tax exemption.

1. The value of the applicant's primary residence subject to the exemption request along with any contiguous residential land
2. The value of all personal property, such as furniture and clothing.

Notwithstanding the value of property listed above, to be considered for tax exemption under MCL 211.7u, the value of all additional assets shall not exceed three (3) times the annual household income of the applicant. Additionally, the applicant and all persons living in the principal residence shall not own more than one (1) automotive vehicle per licensed driver within the principal residence and shall not own any other motorized items, this includes ATVs, snowmobiles, boats, heavy equipment, etc. Motorized equipment for lawn care or farm operations is not included. Motorized items stored at the Principal Residence that are for business or employment shall not be included. The applicant and other person's living within the principal residence shall not own any other land parcels that do not qualify as the principal residence.

All asset information, as requested in the application for property tax exemption must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if assets are not properly identified.

## **VI. Summary**

In conclusion, the Board of Review has been given exclusive jurisdiction over the granting of property tax relief due to financial hardship. The Board of Review for the City of Gladstone takes this task seriously and attempts to provide relief to all deserving residents within the city. These guidelines will remain in place until future action is taken.