

**2021 CITY OF BLOOMFIELD HILLS
POVERTY EXEMPTION**

POLICY AND GUIDELINES

A. POLICY

The Bloomfield Hills Board of Review shall analyze all properly submitted applications for Poverty Exemptions, according to amended P.A. 390 of 1994, section 211.7u of the Michigan Compiled Laws (MCL) and P.A. 253 of 2020. Every taxpayer will be treated the same, and the items to be considered and the manner in which they will be analyzed are listed under the following guidelines.

B. APPLICATION GUIDELINES

1. For a Poverty Exemption the applicants must own and occupy the property as their principal residence. (Otherwise known as Primary, Permanent, Homestead, Household)
2. Required documents include Federal and Michigan Income Tax Returns along with a filed MI-1040CR, Homestead Property Tax Credit Claim. These returns are required to be eligible for a poverty exemption. For calendar year 2021, these are the tax returns for 2020. For those persons residing in or on the subject property who are not required to file Federal or State Income Tax Returns, said persons may file an affidavit with the City indicating they are not required to file said tax returns; however, the owner of the subject property must file said tax returns with the City.
3. Income and Asset information includes all members of the household. Information regarding exemptions for dependents, elderly and disabled obtained from the Federal and Michigan Income Tax Returns will be noted. Suggested Asset and Income sources:

Income – includes but is not limited to the following:

- | | |
|------------------------------|----------------------------|
| a. Employment | h. Alimony |
| b. Pensions | i. Interest |
| c. Social Security | j. Dividends |
| d. Unemployment Compensation | k. Child Support |
| e. Worker’s Compensation | l. Insurance |
| f. General Assistance | m. Gifts, Cash, Loan, Etc. |
| g. Aid to Dependent Children | n. Other |

Note: Payments provided through the Holocaust Restitution Program are exempt income in determining eligibility for a Poverty Exemption. Please also note that monies/credits received pursuant to MCL 206.520 (Homestead Property Tax Credit) is not income for purposes of MCL 211.7u.

Assets (Investment) – includes but is not limited to the following:

- a. Cash
- b. Checking/Savings Accounts
- c. Stocks/Bonds
- d. IRA/Keogh Annuities
- e. Deferred Compensation
- f. Investments (Real and Personal)
- g. Money Markets
- h. Vehicles, Cars, Boats, RVs
- i. Insurance
- j. Gifts/Cash, Other

4. Bloomfield Hills Poverty Exemption applicants are limited to a maximum of three (3) years out of a ten (10) year period. The property cannot be valued at more than the average home market value of \$888,983.*
 *(This calculation is double (2 times) the current assessed value.)

Exceptions are as follows:

- a. Senior citizens residing in the home more than the last ten years may qualify every year.
 - b. A senior citizen is defined as at least sixty-five (65) years old as of December 31st of the year prior to the current year March Board of Review.
 - c. Senior citizens residing in the home less than the ten (10) year requirement may qualify if the current residence is a result of downsizing from their former primary residence.
 - d. Individuals permanently disabled may qualify every year.
5. If Total Household Income including Investment Value Yield (see Part F (1)) falls above the Bloomfield Hills Income schedule, the Homestead is considered ineligible for a Poverty Exemption and no additional analysis is then made by the City of Bloomfield Hills.
6. Income in excess of \$10,000 will be considered available for property tax payments.
7. All property taxes shall be paid and current on the property.

C. 2021 CITY OF BLOOMFIELD HILLS POVERTY GROSS INCOME SCHEDULE

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

D. EVALUATION PROCEDURE

1. Application may be reviewed by the March Board of Review without the applicant being present. However, the Board may request that an applicant or their representative be available to respond to any questions the Board may have. Board of Review meeting schedules will be made available to the applicants.
2. If requested, the applicant should be prepared to answer questions regarding their financial affairs, health, the status of people living in their home, etc.
3. The Board of Review will follow the approved policy and guidelines to determine eligibility and the amount of the exemption.
4. A majority of the Board of Review must agree as to the disposition of the poverty claim for the exemption to be granted.
5. All information is subject to verification.
6. The City will keep minutes of all proceedings before the Board of Review. All meetings are to be held in a municipal building.
7. A person filing a poverty exemption claim may also appeal the same parcel's assessment before the current March Board of Review.
8. The Board of Review shall follow the policy and guidelines of the City of Bloomfield Hills in granting or denying an exemption under this section. Pursuant to P.A. 253 of 2020, the Board of Review may only grant exemptions as follows: (1) 100% reduction to taxable value, or (2) 50% reduction to taxable value, or (3) 25% reduction to taxable value, or (4) any other percentage reduction to taxable value approved by the State Tax Commission.

E. INCOME AND ASSET TESTS

1. Income Test: An eligible applicant will pay a tax equal to three percent (3%) of their Total Household Income, however said tax amount is subject to and limited by the percentage reduction to taxable value authorized by P.A. 253 of 2020, as set forth in section D (8) above.
2. Asset Test:
 - a. If the investment value of the applicant's assets produce, at the standard interest rate, an income stream when added to the applicant's reported income, a sum that is less than the stated household income guidelines; then a poverty exemption may be granted. Conversely, if the amount of interest when added to the applicant's reported income produces a sum greater than the stated household income guidelines, a poverty exemption may be denied.

- b. The value of all owned real estate excluding principal residence will be considered as an asset.
- c. If the applicant's assets are of an amount which would indicate that a condition of poverty is not indicated, then a poverty exemption shall be denied.

F. CALCULATIONS

- 1. The Investment Value Yield (IVY) is calculated by multiplying the applicant's total assets available by a graduated interest rate as indicated below:
 - 2.50% – savings, cash, money market, other short term assets
 - 3.00% – stocks, bonds, other long term securities
 - 4.00% – other long term assetsThis amount (IVY) is then added to the applicant's reported income.
Total Investment Value x Interest Rate = Investment Value Yield (IVY)

- 2. A Total Household Income calculation including Investment Value Yield is determined from information requested above (see Part B (3)). Submit any appropriate documents needed to verify income and household assets.
Income + Investment Value Yield = Total Household Income (THI)

- 3. Total Household Income is compared to the 2021 City of Bloomfield Hills Poverty Income Schedule (see Part C) adopted by the City Commission. **Note:** the City of Bloomfield Hills schedule is the same as the 2020 Federal Poverty Income schedule, and therefore meets the requirements of amended P.A. 390 of 1994 and P.A. 253 of 2020.

- 4. Final Property Tax Amount is calculated by multiplying the Total Household Income (see Part F(2)) by three percent (3%).
Total Household Income (THI) x 3% = Final Property Tax Amount

The Final Property Tax Amount shall be subject to and limited by the percentage reductions to taxable value authorized by P.A. 253 of 2020, as set forth in Section D (8) above, and as a result, the initially calculated Final Property Tax Amount may be adjusted to a different amount, so as to comply with the legally authorized applicable percentage reduction to taxable value that is closest to producing the initially calculated Final Property Tax Amount.

The review process may require additional information to determine eligibility.

CITY OF BLOOMFIELD HILLS 2021 POVERTY APPLICATION
45 E. Long Lake Road, Bloomfield Hills, Michigan 48304

Date _____

* MUST BE COMPLETED IN ITS ENTIRETY TO BE CONSIDERED *

Petitioner's Name: _____ Age: _____

Address: _____

Value: _____ Parcel Number: _____

How long have you lived at this address _____

If less than ten years, please identify previous address, ownership and property value

Phone Number: _____

Marital Status: (Check One)

- | | |
|--|----------------|
| <input type="checkbox"/> Married | How Long _____ |
| <input type="checkbox"/> Divorced | How Long _____ |
| <input type="checkbox"/> Widow/Widower | How Long _____ |
| <input type="checkbox"/> Separated | How Long _____ |
| <input type="checkbox"/> Single | How Long _____ |

Employment Status: Employed Full-Time Disabled-How Long _____

Employed Part-Time Retired

Unemployed – How Long _____

Laid Off – How Long _____

Occupation: _____ Employer: _____

(If Employed)

Describe any disability or health problems you have:

Spouse's Name: _____ Age: _____

Employment Status: Employed Full-Time Disabled – How Long _____

Spouse Employed Part-Time Retired

Unemployed – How Long _____

Laid Off – How Long _____

Occupation (Spouse): _____ Employer (How Long) _____

(SPOUSE) (If Employed)

Describe any disability or health problems spouse may have:

Please list all persons residing in or on this property which must qualify as a "Homestead" under, P.A. 237 of 1994. All residents must supply copies of:

Current Federal and Michigan Income tax returns, including a filed Michigan Homestead Property Tax Credit Form, MI-1040CR including asset information for all persons residing in the household. For those persons residing in or on this property who are not required to file Federal or State Income Tax Returns, said persons may file an affidavit with the City indicating they are not required to file said tax returns; however, the owner of the subject property must file said tax returns with the City.

Name	Age	Relationship	Employment Status	Extent of Dependence for Food, Shelter, etc.
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Are you (spouse) the sole owner(s) of the property, and do you (spouse) occupy the property for which the reduction is requested?

Own: Yes No

Occupy: Yes No

Do you have an ownership interest in any real estate other than the above property?

Yes No

If yes, list all other real estate:

Have any improvements, additions, or changes been made to the property for which the reduction is requested, in the last two (2) years? Yes No

If so, please explain:

Is there a mortgage or a land contract on your property? Yes No

If so, what is the monthly mortgage or land contract payment? \$ _____
 With Taxes Without Taxes

When will the mortgage or Land Contract be paid off? _____

What is the unpaid balance on the mortgage or land contract? \$ _____

Are the taxes paid? Yes No

When did you purchase this property? _____

What was the purchase price? \$ _____

Did you seek property tax relief last year? () Yes () No

Spouse or household occupant #1

Name: _____ Age: _____ Relationship: _____

Please list all sources of your personal income, indicate the amount from each source on an annual basis:

Employment	\$ _____
Pension	\$ _____
Social Security	\$ _____
Unemployment Compensation	\$ _____
Workman's Compensation	\$ _____
Welfare Assistance – ADC	\$ _____
Alimony	\$ _____
Interest/Dividends	\$ _____
Child Support	\$ _____
Insurance	\$ _____
Gifts (Cash, Other)	\$ _____
Other	\$ _____

What are your current assets: (Please provide balances as of 12-31-2019)

Cash/ Checking Account	\$ _____
Savings/Money Markets/CD's	\$ _____
Stocks/Bonds	\$ _____
Investments (Real & Personal)	\$ _____
Vehicles, Cars, Boats, RV's	\$ _____
Insurance	\$ _____
Gifts/Cash/Other	\$ _____

Please note that monies/credits received pursuant to MCL 206.520 (Homestead Property Tax Credit) is not income for purposes of MCL 211.7u. Payments provided through the Holocaust Restitution Program are not income for purposes of MCL 211.7u.

Additional Household Occupants (Attach additional sheets as necessary)

Name: _____ Age: _____ Relationship: _____

Please list all sources of personal income, indicate the amount from each source on an annual basis:

Employment	\$ _____
Pension	\$ _____
Social Security	\$ _____
Unemployment Compensation	\$ _____
Workman's Compensation	\$ _____
Welfare Assistance – ADC	\$ _____
Alimony	\$ _____
Interest/Dividends	\$ _____
Child Support	\$ _____
Insurance	\$ _____
Gifts (Cash, Other)	\$ _____
Other	\$ _____

Please note that monies/credits received pursuant to MCL 206.520 (Homestead Property Tax Credit) is not income for purposes of MCL 211.7u. Payments provided through the Holocaust Restitution Program are not income for purposes of MCL 211.7u.

What was the total income from all sources for everyone living in your household for the past two (2) years? *All residents must supply copies of their current year Federal and Michigan Tax returns

Current Year	\$ _____
Last Year	\$ _____

Do you anticipate any major changes in income for the coming year? () Yes () No

If so, please explain:

Do you have any major or unusual expenses? () Yes () No

If so, please explain (Attach additional sheets if necessary):

VERIFICATION OF EXPENSES MAY BE REQUIRED

Does anyone contribute to your support? () Yes () No

If so, who contributes to your support and how much is contributed?

Is anyone else able to contribute to your support? () Yes () No

Explain: _____

Do you anticipate selling the property for which relief is sought in the next year?

() Yes () No

PLEASE READ CAREFULLY:

I am unable to pay the full property taxes on the above described property and hereby make application for property tax relief in accordance with Section 211.7u of Michigan Compiled Laws. I (we) have read this application and the 2021 City of Bloomfield Hills Poverty Exemption Guidelines and fully understand the contents thereof. I (we) declare that the statements made herein are complete, true, and correct to the best of my (our) knowledge. I (we) further understand that if any information contained herein is found to be false or incomplete, or if property is sold within the year, any and all relief granted by this application will be forfeited and placed back on the assessment roll with penalties and interest occurring on the additional tax liability.

I also authorize a representative of the Oakland County Equalization Division (which acts as the Bloomfield Hills Assessor and Staff) and/or the Bloomfield Hills Board of Review and/or any of its members to physically inspect my property at some point during the course of this year to ensure accuracy of the property appraisal record card.

APPLICANT SIGNATURE: _____ DATE: _____

SPOUSE SIGNATURE: _____ DATE: _____

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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.		
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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

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