

PARMA TOWNSHIP

PO BOX 51

ALBION MI 49224

Resolution 2021- 1

Adopted February 8, 2021

BY THE PARMA TOWNSHIP BOARD:

WHEREAS; recently enacted Act 390 of 1994 required the Township Board to establish guidelines to be used by the Township Assessor and Board of Review in granting poverty exemption; and

WHEREAS; Parma Township finds it necessary to establish such guidelines to enable the Board of Review to carry out its statutory duties; and

WHEREAS; the Township Assessor has carefully studied the situation and has recommended a number of guidelines to ensure fair treatment of our less fortunate citizens by the Board of Review.

NOW THEREFORE, BE IT RESOLVED; that pursuant to Act 390 of 1994, the following are hereby adopted as guidelines to be used by the Township Assessor and Board of Review in determining whether poverty exemption for property taxes should be granted;

1. The application for exemption must be for Homestead property which is not owned by a corporation.
2. Effective 2021, the applicant must complete and file the State of Michigan form 5737 "Application of MCL 211.7u Poverty Exemption" supplied by the Assessor.
3. The claim form must be accompanied by copies of Federal and State Income tax returns for all persons residing in the homestead.
4. The Assessor or Board of Review may require the applicant provide proof of identification (i.e., drivers license) and proof of ownership (i.e., deed or land contract).
5. The applicant must meet Federal poverty income standards as defined and determined annually by the U.S. Office of Management and Budget.
6. The applicant must have total household assets (excluding the real estate of the homestead) of less than \$15,000. The asset value shall be determined by

the Assessor and Board of Review. The asset limit shall be indexed by the CPI as used to determine the annual assessment cap.

- 7. The applicant's net homestead property tax liability must be at least 5% of the total household income.
- 8. Poverty Exemption income guidelines approved the Township Board prior of the MBOR meeting cannot be lower than the Federal Poverty Guidelines.
- 9. Poverty Exemption asset test approved by the Township Board prior of the MBOR meeting can only grant partial exemptions of 100%, 50% or 25% unless approved by the STC per PA 253 of 2020.

If the applicant meets all eligibility requirements, the Assessor and Board of Review shall calculate the applicant's net property tax. Exemptions shall be granted based on the following scale; 100%, 50% or 25%

Net tax is less that 5% of household income.....	0%
Net tax is at least 8% of household income.....	25%
Net tax is at least 10% of household income.....	50%
Net tax is at least 14% of household income.....	100%

The Assessor and Board of Review shall follow the policy and guidelines established by the Township Board in granting or denying poverty exemptions unless the Assessor and Board of Review determine that are substantial and compelling reasons why there should be a deviation from this adopted policy and guidelines. This policy to take effect February 8th 2021.

Resolution Adopted.



Date Feb 8th, 2021

Sarah Stanham, Clerk

U.S. Department of Health & Human Services



OFFICE OF THE ASSISTANT SECRETARY
FOR PLANNING AND EVALUATION

POVERTY GUIDELINES

01/15/2021

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U.S. FEDERAL POVERTY GUIDELINES USED TO DETERMINE FINANCIAL ELIGIBILITY FOR CERTAIN FEDERAL PROGRAMS

HHS POVERTY GUIDELINES FOR 2021

The 2021 poverty guidelines are in effect as of January 13, 2021
Federal Register Notice, February 1, 2021 - Full text.

2021 POVERTY GUIDELINES FOR THE 48 CONTIGUOUS STATES AND THE DISTRICT OF COLUMBIA

PERSONS IN FAMILY/HOUSEHOLD

POVERTY GUIDELINE

For families/households with more than 8 persons, add \$4,540 for each additional person.

1	\$12,880
2	\$17,420
3	\$21,960
4	\$26,500
5	\$31,040
6	\$35,580
7	\$40,120
8	\$44,660