



City of Pontiac, Michigan

Department of Finance

Mayor Deirdre Waterman

JANUARY 2019

TO: PROPERTY OWNERS APPLYING FOR HARDSHIP EXEMPTION (FINANCIAL)
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; 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, 2019**. 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
HARDSHIP EXEMPTION GUIDELINES

For Applicants requesting consideration for Property Tax Hardship Exemptions.

- 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 method 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 this office. Any application form 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 personal residing in the homestead must submit copies of current year's (City will make copies if necessary) of the following:
 - 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
 - d. General Homestead Property Tax Claim MI-1040CR-4
 - e. ADC Annual Budget letter
 - f. Benefit Statement (pension, retirement or Social Security)
 - g. Social Security Card (any persons 18 years of age or under)
- 5) A hardship exemption shall not be granted to any applicant who has not owned and occupied the homestead for a minimum of three (3) years prior to the date of application.
- 6) A hardship exemption shall not be granted to any applicant who owns salable property other than their own homestead no matter where located.
- 7) A hardship exemption shall not be granted to any applicant whose assets exceed \$100,000. An applicant's homestead shall be excluded from consideration as an asset.
- 8) Applicant(s) shall not be eligible for consideration if they do not meet the Income Limitation Guidelines adopted by the City of Pontiac:

Size of Family Unit	Poverty Guidelines
1	\$12,140
2	\$16,460
3	\$20,780
4	\$25,100
5	\$29,420
6	\$33,740
7	\$38,060
8	\$42,380
For each additional person, add	\$4,320

NOTE: IF YOU 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.
- 10) All hardship exemptions shall be granted for the current tax year only.
- 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(s) should be prepared to answer questions regarding their financial affairs, health, the status of people living in their home, etc.
- 13) Pursuant to state law, applicant(s) may apply for Hardship Exemption to only one (1) 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.
- 14) The Board of Review shall have the authority to grant an exemption to applicant(s) who do not meet the residency requirement of the exemption guidelines of the City of Pontiac if they are paraplegic, quadriplegic, hemiplegics, or totally and permanently disabled **AND** have owned and occupied the property in the City of Pontiac prior to becoming handicapped or permanently disabled.

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

REQUIRED DOCUMENTS

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

1. WARRANTY DEED
or LAND CONTRACT
or QUIT CLAIM DEED
2. HOMEOWNER'S INSURANCE POLICY
3. CURRENT FEDERAL INCOME TAX
4. CURRENT MICHIGAN INCOME TAX
5. GENERAL HOMESTEAD PROPERTY TAX MI-1040 CR *or* SENIOR CITIZEN
HOMESTEAD PROPERTY TAX
6. **INCOME OF ALL PERSONS LIVING IN THE HOME:**
ADC BUDGET LETTER
PENSION BENEFITS
SOCIAL SECURITY STATEMENT
ALIMONY, CHILD SUPPORT
FIP, DHS, DISABILITY, & WORKERS' COMPENSATION
OTHER INCOME
W-2 (WAGES UNDER \$5,000)
7. EMPLOYER'S NAME, ADDRESS
8. DRIVER'S LICENSE
9. SOCIAL SECURITY CARD (all persons living in the home).



CITY OF PONTIAC

OFFICIAL MEMORANDUM

Executive Branch

TO: Honorable City Council President and City Council Members

FROM: Jane Bais DiSessa, Deputy Mayor

CC: Mayor Waterman, Anthony Chubb, City Attorney; and Rose Wilson, Deputy Treasurer

DATE: December 13, 2018

RE: **Resolution to approve the revised Federal Poverty Guidelines for 2019 and the City of Pontiac Board of Review Instructions for Applicants requesting Hardship Exemption consideration.**

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 2019.

Please note that special assessments and the sanitation fee cannot be waived, or reduced. Applicants must meet the standards established by an income level test and an asset level test. The proposed guidelines identify the federal poverty guidelines for the income level test and establish a threshold that varies depending on the family size. For example, a family of four has a threshold of \$25,100 in 2019 (based on the 2019 Federal Poverty Guidelines). A copy of the Federal Poverty Guidelines for 2019 is attached for your information.

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 the uses for the granting of exemptions the guidelines shall include but not specific income and asset levels of the household income and assets;" and,

WHEREAS, The Pontiac City Council approved said Hardship Exemption Guidelines for 2018; and,

WHEREAS, said Hardship Guidelines should be amended annually to reflect the new Federal Poverty Guidelines,

NOW, THEREFORE, BE IT RESOLVED That the Pontiac City Council hereby approves the attached revised Federal Poverty guidelines for the 2019 and the City of Pontiac Board of Review Instructions for Applicants requesting Hardship Exemption consideration. .

ATTACHMENT