



City of Pontiac, Michigan

Department of Finance

JANUARY 2017

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 under the General Property Tax Act (PA206 of 1893). 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, Pontiac, MI 48341**, 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, and all other documents identified in the 2017 Exemption Guidelines. **Incomplete applications will be rejected.**

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; however, the Board may request your presence at a meeting.

In order to provide time to review this application, it must be returned to the Oakland County Equalization Office **ON OR BEFORE MARCH 1ST, JULY 1ST, OR DECEMBER 1ST, 2017; earlier submission is strongly recommended.** 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 persons residing in the homestead must submit copies, attached to the application, for the current year of the following, in order to be considered for eligibility:
 - a. Federal Income Tax Return – 1040, 1040A or 1040EZ
 - b. Michigan Income Tax Return MI-1040, MI-1040A or MI-1040EZ
 - c. Copies of all bank account statements from the prior three (3) months
 - d. Senior Citizens Homestead Property Tax Form MI-1040CR-1
 - e. General Homestead Property Tax Claim MI-1040CR-4
 - f. Social Security Card (any persons 18 years of age or under)
 - g. Treasury Form 4988 (affidavit) for all person residing in the residence who were not required to file federal or state income tax returns in the current year or in the immediate preceding year.
 - h. Warranty deed or land contract or quit claim deed.
 - i. Homeowner's insurance policy
 - j. Employer's name and address
 - k. State of Michigan operator's license
 - l. Evidence of 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)

- 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 total value of cash and non-cash assets exceed \$35,000. An applicant's homestead property and one vehicle used for personal transportation and titled to a member of the household 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	\$12,060
2	\$16,240
3	\$20,420
4	\$24,600
5	\$28,780
6	\$32,960
7	\$37,140
8	\$41,320
For each additional person, add	\$4,180

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.

NOTE: THE BOARD OF REVIEW MAY DEVIATE FROM THIS POLICY ONLY WHEN THERE ARE SUBSTANTIAL AND COMPELLING REASONS WHY THERE SHOULD BE A DEVIATION FROM THE POLICY AND GUIDELINES. IF SUCH DEVIATION IS MADE, THE BOARD OF REVIEW SHALL COMMUNICATE THE SUBSTANTIAL AND COMPELLING REASONS FOR THE DEVIATION FROM THE GUIDELINES IN WRITING TO THE CLAIMANT (MCL211.7(U)5.) See STC Bulletin 7 of 2010

**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. FEDERAL INCOME TAX RETURN – 1040, 1040a, OR 1040 EZ
2. MICHIGAN INCOME TAX RETURN – MI-1040, MI-1040A, MI-1040 EZ
3. SENIOR CITIZENS HOMESTEAD PROPERTY TAX FORM MI1040CR-1
4. GENERAL HOMESTEAD PROPERTY TAX CLAIM MI-1040CR-4
5. BANK STATEMENTS FOR ALL ACCOUNTS FOR THE PRIOR THREE (3) MONTHS
6. SOCIAL SECURITY CARD (ALL PERSONS 18 OR UNDER IN THE HOUSE)
7. TREASURY FORM 4988 (AFFIDAVIT) FOR ALL PERSONS RESIDING IN THE HOUSE WHO WERE NOT REQUIRED TO FILE FEDERAL OR STATE INCOME TAX RETURNS IN THE CURRENT OR IMMEDIATE PRECEDING YEAR
8. WARRANTY DEED *OR* LAND CONTRACT *OR* QUIT CLAIM DEED
9. HOMEOWNER’S INSURANCE POLICY
10. EMPLOYER’S NAME AND ADDRESS
11. STATE OF MICHIGAN DRIVERS LICENSE
12. **EVIDENCE OF 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)

Memorandum

To: Pontiac City Council

From: Jane Bais-DiSessa, Deputy Mayor
Nevrus Nazarko, Finance Director

Date: 2/6/2017

Re: 2017 Hardship Exemption Guidelines

The General Property Tax Act requires the governing body to annually 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 2017. 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 of \$35,000 in assets excluding the homestead property and one vehicle. The asset level test limit was \$35,000 in 2016.

At this time, the City Council is request 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 2016; 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 2017 Federal Poverty guidelines for the 2017 City of Pontiac Board of Review Instructions for Applicants requesting consideration of Hardship Exemption.