



CITY OF KENTWOOD POVERTY EXEMPTION GUIDELINES

1. **Purpose:** The principal residence of persons who, in the judgment of the City Assessor and Board of Review are unable to contribute toward the public charges by reason of poverty may be eligible for exemption in whole or in part.
2. **Eligibility:** To be eligible for the poverty exemption for any tax year, all of the following must be met:
 - a. The applicant must be an owner of and occupy as his/her principal residence the property for which the exemption is requested, and
 - b. The total household income shall not exceed the amounts set forth under the Federal poverty guidelines as defined and determined annually by the United States Office of Management and Budget (or its successor), and
 - c. Total household assets, except for the homestead being claimed, essential household goods, and one motor vehicle up to \$5,000 in value, may not exceed one quarter (25%) of the Federal poverty guideline for the entire household.

Assets include, but are not limited to real estate, motor vehicles, recreational vehicles and equipment, time shares, certificates of deposit, savings accounts, checking accounts, stocks, bonds, life insurance, retirement funds, antiques and collectibles, etc. Assets do not include basic essential household goods such as furniture, appliances, dishes and clothing.

The value of assets will not be reduced by the amount of any indebtedness owed on such assets, or any indebtedness otherwise owed by the applicant or members of the household.
 - d. The applicant must be able to produce evidence as requested that they have owned and occupied this residence for a minimum of two years before tax day of the year in which they seek the exemption.
 - e. The State Equalized Value of the property for which the exemption is claimed shall not exceed the mean average for residentially-classed properties in the City of Kentwood for the current tax year.

If the applicant meets these eligibility requirements, the applicant shall be considered eligible for a poverty exemption as long as there is full compliance with all the remaining requirements and procedures set forth in these guidelines, and as long as the City is able to verify all information submitted in regard to the poverty exemption claim is accurate.

3. Application Process: To apply for the poverty exemption, a person shall do all of the following on an annual basis:
 - a. File a Poverty Exemption Application form with the Assessor or Board of Review. Applicants must obtain the application form from the Assessor's Office in City Hall or the City of Kentwood website. Handicapped or infirmed applicants may call the Assessor's Office to make arrangements for assistance.
 - b. Submit copies of Federal and State income tax returns for all persons residing in the residence filed in the immediately preceding and current year. These must include any property tax credit returns.
 - c. Produce a valid driver's license or other form of photo identification.
 - d. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if such proof is requested by the Board of Review or Assessor.
 - e. Provide evidence of the current value of other assets including investments, real estate, bank accounts, retirement accounts, insurance policies, etc.
 - f. An incomplete submission may be grounds for denial of an exemption.
4. Deadline: The application must be submitted after January 1, but at minimum one day before the last day of the Board of Review in the year for which application is made.
5. Appearance before the Board of Review: The applicant or an appointed representative of the applicant will be required to appear before the Board of Review to respond to any questions the Board or Assessor may have concerning the exemption application.
 - a. An applicant may be called to appear before the Board on short notice to answer questions posed by the Assessor or Board of Review.
 - b. An applicant may be required to answer questions regarding the applicant's financial affairs, health, or the status of people living in the applicant's home before the Board of Review at a meeting that is open to and may be attended by the public.
 - c. Applicants appearing before the Board may be administered an oath as follows:

Do you, _____, swear and affirm that the evidence and testimony that you will give in your own behalf before the Board of Review is the truth, the whole truth, and nothing but the truth, so help you?"
 - d. The Assessor may tape record and will keep minutes of all proceedings before the Board of Review. These minutes become a permanent record of the City of Kentwood.
 - e. The Board of Review may, in its discretion, review poverty exemption applications without the applicant or the applicant's representative being physically present.
6. Evaluation of the Application: Applications for poverty exemptions will be evaluated based on information submitted to the Board of Review by the applicant, testimony taken from the applicant, and information gathered by the Board or Assessor from any source.

- a. The Board of Review is not required to grant a poverty exemption for property owned by multiple owners as long as at least one owner is not eligible for the poverty exemption.
- b. The Board of Review is not required to grant a poverty exemption for rental property which is also occupied as a principal residence.
- c. The Board of Review may conduct an investigation to verify the information submitted or statements made to the Assessor or Board of Review in regard to the applicant's poverty exemption claim.
- d. The Board of Review may not deny a poverty exemption based upon mere speculation regarding the level of an applicant's income or assets.
- e. A poverty exemption, if granted, shall remain in effect for one tax year. An applicant's eligibility for the poverty exemption must be determined each year.
- f. The Board of Review may not determine an applicant's eligibility based on the number of years that the applicant has been granted a poverty exemption in the past, or the number of years that the applicant may be granted such an exemption in the future.

7. Special Circumstances: The City Assessor and the Board of Review may, in their discretion, grant a poverty exemption to a taxpayer who does not meet the income or asset tests contained in these Guidelines where one or more of the following has resulted in hardship to the applicant due to special circumstances:

- a. Unforeseen prolonged cessation of income due to circumstances beyond the applicant's control.
- b. Trauma or critical illness of the applicant or the applicant's immediate family member which resulted in excessive financial liabilities for which the taxpayer will not receive reimbursement.
- c. Catastrophic loss.
- d. Other extenuating circumstances which the Assessor and Board of Review agree are legitimate hardships over which the applicant has no control.

8. Amount of Exemption: The City Assessor shall determine the estimated property tax liability for the applicable tax year and the estimated state homestead credit for each applicant under the Homestead Property Tax Credit (Public Act 281 of 1967). All of the following shall apply:

- a. The poverty exemption shall not exceed the amount of the tax liability minus the homestead credit refund.
- b. A tax liability of approximately four percent (4%) of household income will be considered to have provided a sufficient exemption in most cases unless substantial and compelling reasons are set forth for a deviation.

9. Deviation from the Guidelines: The City Assessor and Board of Review shall follow these guidelines in granting or denying a poverty exemption unless they determine there are substantial and compelling reasons why there should be a deviation from the guidelines, and these reasons are communicated in writing to the claimant and contained within the minutes of the Board of Review.

10. Agreement by City Assessor and Board of Review: The City Assessor must agree to the Board of Review's decision in regards to the disposition of all individual poverty claims or the decision is null and void.