



Legislation Text

File #: 14-0180, Version: 1

Resolution to Revise and Approve Board of Review Guidelines for Poverty Exemptions

Attached for your approval is a Resolution to Adopt the Board of Review Guidelines for Poverty Exemptions. Local governing bodies are required to adopt guidelines that set income levels for their poverty exemptions guidelines; which income levels may not be set lower than the U.S. Department of Health and Human Services.

PA 390 of 1994, gave the governing body of a city or township the ability to adopt income eligibility requirements greater than the federal guidelines adopted by the state when reviewing poverty exemptions for homesteads.

PA 390 of 1994 further states that the poverty exemption guidelines established by the governing body of the local assessing unit shall also include an asset level test. An asset test means the amount of cash, fixed assets or other property that could be used, or converted to cash for use in the payment of property taxes.

City Council previously adopted Guidelines for Poverty Exemptions in 1998. Approval of the revision to the Board of Review Guidelines will allow for the adoption of an asset level test, further define the definition of a Poverty Exemption and set the income limits. If Council approves the revision, the Board of Review will implement the change effective March 1, 2014.

The adjusted 2014 Maximum Income levels will be:

\$19,500-1 Person	\$ 39,500-5 People
\$24,500-2 People	\$ 44,500-6 People
\$29,500-3 People	\$ 49,500-7 People
\$34,500-4 People	\$ 54,500-8 People

\$5,000 For each additional person

Prepared by: David R. Petrak, Assessor

Reviewed by: Tom Crawford, Financial Services Area Administrator & CFO

Approved by: Steven D. Powers, City Administrator

Whereas, Public Act 390 of 1994, as revised, (the Act) allows the homesteads of persons who, in the judgment of the supervisor and the Board of Review, by reason of poverty, are unable to contribute toward the public charges be eligible for exemption in whole or in part from taxation under this act;

Whereas, The Act sets income guidelines to meet the Federal poverty income standards or alternative guidelines adopted by the governing body of the local assessing unit provided those guidelines are not less than the Federal guidelines;

Whereas, The City Council last approved the series of guidelines in 1998 developed by the Ann Arbor City Assessor and Board of Review which conformed to the requirements of Public Act 390 of 1994; and

Whereas, The Ann Arbor Board of Review and City Assessor, at their December 16, 2013 meeting recommended adjusting the adopted income guidelines, and the establishment of an asset level test;

RESOLVED, That City Council approve the revision of and adopt the Poverty Exemption guidelines, as recommended by the Ann Arbor Board of Review and City Assessor, which establishes income levels and an asset test; and

RESOLVED, That the revised Poverty Exemption Guidelines be effective March 1, 2014 and supersede all previously adopted Poverty Exemption Guidelines.