


Commission Letter #14-98
Date: January 26, 1998
Subject: Consider Approval Of Poverty
Exemption Guidelines And
Application Form

TO: Mayor and City Commission January 22, 1998
FROM: Paul Preston 
SUBJECT: Adoption Of Policy Guidelines For Poverty Exemption

In February 1997, the City Commission adopted guidelines to implement provisions in State law (P.A. 390 of 1994) that allow for the granting of a poverty exemption for property tax assessments. If a property owner meets certain eligibility requirements, and requests such an exemption, they may be entitled to a percentage reduction or full exemption from property tax payment. The Commission's initial adoption of the guidelines was effective for 1997 only. This past year we had one property owner request and receive the exemption.

We are recommending that the Commission approve the guidelines and application form by resolution. Approval by resolution will eliminate the need for annual approval unless the Commission chooses to make changes or there are changes in the State law governing this exemption. State law provides that the Federal poverty standard applies unless the local governing body adopts a local standard. This resolution provides for automatic incorporation of any change in Federal standards from this date forward.

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Attachment

The following resolution was offered by Commissioner Pittsley and supported by Commissioner Cassel:

WHEREAS, Public Act 390 of 1994 changed the application procedures for the granting of hardship (poverty) exemptions for property taxes by local governments, and

WHEREAS, Public Act 390 of 1994 requires the governing body of the local assessing unit determine and make available the policy and guidelines the assessing unit uses for the granting of exemptions, and

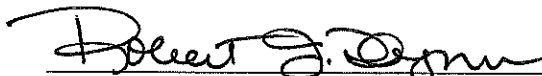
WHEREAS, Public Act 390 of 1994 requires the use of the United States Office of Management and Budget Federal Income Poverty Standards unless alternative local poverty standards are adopted by the governing body of the local unit, and

WHEREAS, since the City Commission of the City of Mount Pleasant has chosen not to adopt an alternative local poverty standard, the Board of Review shall use the annual United States Office of Management and Budget Federal Income Poverty Standards as provided by the State Tax Commission to the City Assessor in determining poverty exemptions,

NOW, THEREFORE, BE IT RESOLVED, that the Mt. Pleasant City Commission hereby adopts the 1998 Poverty Exemption Guidelines and Application (City Commission Exhibit No. 2-98) as the City Standard in compliance with Public Act 390 of 1994. These guidelines and application shall remain in effect as written until revised by the City Commission. The City Assessor shall cause the guidelines and application to be updated each January with the current Board of Review hearing dates and the current United States Office of Management and Budget Federal Income Poverty Standards.

Resolution unanimously adopted.

I, Robert J. Flynn, Clerk for the City of Mt. Pleasant, Michigan, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Commission at a regular meeting held January 26, 1998.


Robert J. Flynn, City Clerk

Dated: January 29, 1998