

## 2021 HARDSHIP EXEMPTION APPLICATION INSTRUCTIONS

### THIS APPLICATION SHOULD BE RETURNED TO:

City of Flint, Assessing Division. 1101 S Saginaw St, Flint MI 48502

### 2021 City of Flint

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To be considered for a hardship exemption, **the following steps must be followed:**

1. The Petitioner must complete this application in full, including signatures on the last page. Return the application and attachments to the Assessing Department at least 5 days prior to the beginning of the Board of Review.
2. Per City of Flint Resolution, **you must attach signed copies of the following for all persons living in the household AND all owners of the residence:**
  - \_\_\_ 2020 FEDERAL INCOME TAX RETURN (1040)
  - \_\_\_ 2020 W 2's & 1099's.
  - \_\_\_ 2020 MICHIGAN INCOME TAX RETURN (MI-1040)
  - \_\_\_ 2020 HOMESTEAD PROPERTY TAX CREDIT FORM (MI-1040CR)
  - \_\_\_ 2020 SOCIAL SECURITY BENEFIT STATEMENT (SSA-1099)
  - \_\_\_ YEAR END STATEMENTS FOR ASSET INFORMATION (*SEE LIST ON PG 5 OF 8*)
  - \_\_\_ IF YOU'RE CLAIMING NO INCOME, YOU MUST SUBMIT A DETAILED & NOTARIZED LETTER EXPLAINING HOW EXPENSES ARE BEING MET.
  - \_\_\_ IF BILLS ARE PAID BY FRIEND/FAMILY MEMBER OR YOU RECEIVED MONEY FROM A FRIEND OR FAMILY MEMBER, YOU MUST PROVIDE A SIGNED AND NOTARIZED LETTER FROM THAT PERSON(S) STATING HOW MUCH FINANCIAL SUPPORT THEY GIVE
3. Produce a valid driver's license or other form of picture identification;
4. Be able to produce a deed, land contract, or other evidence of ownership of the property for which the exemption is being requested, **if not in Assessor's records**;
5. Meet the federal poverty income guidelines for the household, which are updated annually in the federal register by the United States Department of Health and Human Services; and
6. Meet the claimant and total household **asset levels** set by the Flint City Council.

**If your application does not include copies of the above documents or if your signature is not notarized, it will be considered incomplete and therefore ineligible for a Hardship Exemption.**

Hardship Exemption as defined by the Michigan Compiled Laws is as follows:

Section 211.7u: The homestead of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act.

Please be aware that as an applicant for Hardship Exemption, you must also comply with the following sections of the Michigan Compiled Laws:

Section 211.116 Perjury: Any person who, under any of the proceedings required or permitted by this act, shall willfully swear falsely, will be guilty of perjury and subject to its penalties.

If received timely, your application will be presented at the next scheduled Board of Review. The Board of Review schedule for 2021 is as follows:

March: Begins on Monday, March 8, 2021  
 July: Tuesday, July 20, 2021  
 December: Tuesday, December 14, 2021

**If you have any questions, feel free to contact the Assessing Department at 810-766-7255**

### **INCOME & ASSET GUIDELINES FOR HARDSHIP EXEMPTIONS**

If your income exceeds the amounts shown or your assets exceed the amounts shown you are **NOT** eligible for a Hardship Exemption.

The applicant **shall not** be eligible for consideration, if 85% of the total household income exceeds the current income standards developed by the Flint City Council. The excluded 15% of the total household income shall be earmarked for family medical needs. For 2021, the limits are:

<b>Family Unit:</b>	<b>Gross Annual Income Can Not Exceed:</b>	<b>Adjusted Annual Household Income Can Not Exceed:</b>
Family unit of 1 member	\$20,000	\$17,000
Family unit of 2 members	\$22,500	\$19,125
Family unit of 3 members	\$24,520	\$21,330
Family unit of 4 members	\$29,600	\$25,750
Family unit of 5 members	\$34,700	\$30,170
Family unit of 6 members	\$39,800	\$34,590
Family unit of 7 members	\$44,900	\$39,010
Family unit of 8 members	\$50,000	\$43,430
Each family member greater than 8	\$5,200	\$4,420

When determining any poverty exemption, all assets of the family unit, as well as all available sources of income or funds shall be considered.

#### **Asset Eligibility**

Applicants can have **no more than \$10,000 in assets** to be eligible for consideration and no more cash than an amount equal to one month's gross household income. Assets do not include the homestead or one (1) automobile. Assets do include: stocks, bonds, mutual funds, insurance policies, coin collections, boats, ORVs, motorcycles, recreational vehicles, second homes or sellable property, retirement accounts, jewelry, etc.

## GUIDELINES BY WHICH HARDSHIP EXEMPTIONS ARE DETERMINED

1. Completed application form and all required documents and attachments MUST be filed with the City Assessor's Office no later than:

March 9, 2021 for action by the March Board of Review; or

July 16, 2021 for action by the July Board of Review; or

December 10, 2021 for action by the December Board of Review.

Sign the form when you return it to the City Assessor's Office

**NOTE:** The filing of a claim constitutes an appearance before the Board of Review. Also, the dates for filing will be updated annually in accordance with the State of Michigan Property Tax Calendar.

2. The Board of Review determines if Income Standards have been met.
3. The Board of Review determines if Asset limits have been met.
  - a. Cash assets to the total household may not exceed an amount equal to one month's gross household income. Cash assets are defined as cash, money held in checking or savings accounts, money markets and other financial institution accounts, and/or instruments or securities which can be readily converted to cash.
  - b. Non-cash assets to the total household may not exceed \$10,000. Non-cash assets are defined as those which are not considered to be cash assets, as defined above. The following assets are excluded from this limit:
    1. Applicant's homestead
    2. Applicant's household personal property
    3. Assets not accessible by the applicant, co-owner or any member of the applicant's household.
    4. All applicants, if approved by the Board of Review, shall have their current year taxable value reduced by 50%. ***This does not include any special assessments that are assessed to the property.***
    5. The Board of Review will consider all revenue and non-revenue producing assets of the owner, co-owner and all members of the household. Any attempt to hide and/or shift assets to another person, business or corporation shall be grounds for denial.

4. Applications must be filed every year. If granted, the exemption is for current year only.
5. **Applicant may not have ownership interest in any real estate other than the homestead and must own the homestead for, at least, one (1) calendar year.** Also, no person living outside the household shall have interest in the homestead.
6. All applications will be reviewed by the Board of Review. The Board may ask applicants, or their authorized agents, to be physically present to answer questions. Teleconferencing for the purpose of asking questions of the applicant is allowable if the applicant is not able to attend.
7. Applicants, or their authorized agents, may have to answer questions regarding such subject as financial affairs, health and/or the status of people living in the principal residence at a meeting that is open to the public.
8. All applications will be evaluated based on data and statements given to the Board by the applicant. The Board can also use information gathered from any other source.
9. The Board of Review shall follow the policy and guidelines established herein when granting or denying an exemption.
10. Applicants may be subject to investigation of their entire financial and property records by the City. This would be done to verify information given or statements made to the Board of Review or assessor in regards to the poverty tax claim.
11. Household income limits are adjusted each year to comply with the Federal Poverty Guidelines.
12. Applicants will be sent a written notice of the Board of Review's final decision. An applicant may appeal the Board of Review's decision to the Michigan Tax Tribunal. An assessor may also appeal the Board of Review's decision. Appeals must be filed with the Michigan Tax Tribunal by the following dates:

July 31<sup>st</sup> for a decision made by the March Board of Review **or**  
35 days from the decision of the July or December Board of Review

#### THE GENERAL PROPERTY TAX ACT (EXCERPT)

Act 206 of 1893

Sec. 7u. (1) The principal residence of a person who, in the judgment of the supervisor and board of review, by reason of poverty, is unable to contribute toward the public charges is eligible for exemption in whole or in part from the collection of taxes under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall, subject to subsections (6) and (8), do all of the following on an annual basis:

(a) Own and occupy as a principal residence the property for which an exemption is requested. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the state tax commission with the local assessing unit.

(b) File a claim with the board of review on a form prescribed by the state tax commission and provided by the local assessing unit, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year. Federal and state income tax returns are not required for a person residing in the principal residence if that person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year. If a person was not required to file a federal or state income tax return in the tax year in which the exemption under this section is claimed or in the immediately preceding tax year, an affidavit in a form prescribed by the state tax commission may be accepted in place of the federal or state income tax return. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant's right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines published in the prior calendar year in the Federal Register by the United States Department of Health and Human Services under its authority to revise the poverty line under 42 USC 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for an exemption under this section must be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines used for the granting of exemptions under this section. If the local assessing unit maintains a website, the local assessing unit shall make the policy and guidelines, and the form described in subsection (2)(b), available to the public on the website. The guidelines must include, but are not limited to, the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section. If a person claiming an exemption under this section is qualified under the eligibility requirements in subsection (2), the board of review shall grant the exemption in whole or in part, as follows:

(a) A full exemption equal to a 100% reduction in taxable value for the tax year in which the exemption is granted.

(b) A partial exemption equal to 1 of the following:

(i) A 50% or 25% reduction in taxable value for the tax year in which the exemption is granted.

(ii) As approved by the state tax commission, any other percentage reduction in taxable value for the tax year in which the exemption is granted, applied in a form and manner prescribed by the state tax commission.

(6) Notwithstanding any provision of this section to the contrary, a local assessing unit may permit by resolution a principal residence exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, to remain exempt under this section in tax years 2021, 2022, and 2023 without subsequent reapplication for the exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), and may permit a principal residence exempt for the first time from the collection of taxes under this section in tax year 2021, 2022, or 2023 to remain exempt under this section for up to 3 additional years after its initial year of exempt status without subsequent reapplication for the

exemption, provided there has not been a change in ownership or occupancy status of the person eligible for exemption under subsection (2), if the person who establishes initial eligibility under subsection (2) receives a fixed income solely from public assistance that is not subject to significant annual increases beyond the rate of inflation, such as federal Supplemental Security Income or Social Security disability or retirement benefits. Both of the following apply to a person who obtains an extended exemption under this subsection:

(a) The person shall file with the local assessing unit, in a form and manner prescribed by the state tax commission, an affidavit rescinding the exemption as extended under this subsection within 45 days after either of the following, if applicable:

(i) The person ceases to own or occupy the principal residence for which the exemption was extended.

(ii) The person experiences a change in household assets or income that defeats eligibility for the exemption under subsection (2).

(b) If the person fails to file a rescission as required under subdivision (a) and the property is later determined to be ineligible for the exemption under this section, the person is subject to repayment of any additional taxes with interest as described in this subdivision. Upon discovery that the property is no longer eligible for the exemption under this section, the assessor shall remove the exemption of that property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the removal of the exemption, and the local treasurer shall, within 30 days of the date of the discovery, issue a corrected tax bill for any additional taxes with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. If the tax roll is in the county treasurer's possession, the tax roll must be amended to reflect the removal of the exemption and the county treasurer shall, within 30 days of the date of the removal, prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1% per month or fraction of a month computed from the date the taxes were last payable without interest. Interest on any tax set forth in a corrected or supplemental tax bill again begins to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1% per month or fraction of a month. Taxes levied in a corrected or supplemental tax bill must be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. 3

(7) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(8) Notwithstanding any provision of this section to the contrary, if the assessor determines that a principal residence of a person by reason of poverty is still eligible for this exemption and the property was exempt from the collection of taxes under this section in tax year 2019 or 2020, or both, the property shall remain exempt from the collection of taxes under this section through tax year 2021 if, on or before February 15, 2021, the governing body of the local assessing unit in which the principal residence is located adopts a resolution that continues the exemption through tax year 2021 for all principal residences within the local assessing unit that were exempt from the collection of taxes under this section in tax year 2019 or 2020, or both. The local assessing unit may require the owner of a principal residence exempt from the collection of taxes under this subsection to affirm ownership, poverty, and occupancy status in writing by filing with the local assessing unit the form prescribed by the state tax commission under subsection (2)(a).

(9) A local assessing unit that adopts a resolution under subsection (6) or (8) must develop and implement an audit program that includes, but is not limited to, the audit of all information filed under subsection (2). If property is determined to be ineligible for exemption as a result of an audit, the person who filed for the exemption under subsection (2) is subject to repayment of additional taxes including interest to be paid as provided in subsection (6)(b). The

state tax commission shall issue a bulletin providing further guidance to local assessing units on the development and implementation of an audit program under this subsection. (10) As used in this section, "principal residence" means principal residence or qualified agricultural property as those terms are defined in section 7dd.