

Resolution # 01-015-25-5G

CITY OF BIRMINGHAM
A RESOLUTION OF THE CITY COMMISSION
ADOPTING A POLICY RELATIVE TO THE REVIEW AND GRANTING OF
POVERTY EXEMPTIONS BY THE CITY

At a meeting of the City Commission of the City of Birmingham, Oakland County, Michigan, held on the 27th day of January, 2025, at City Hall, 151 Martin Street, Birmingham, MI, 48009.

Moved by: Haig Seconded by: Schafer

WHEREAS, P.A. 390 of 1994, which amended Section 7u of Act No. 206 of the Public Acts of 1893, as amended by Act No. 313 of the Public Acts of 1993, being sections 211.7u of the Michigan Compiled Laws, as amended most recently by P.A. 253 of 2020 which further amended 211.7u of the Michigan Compiled Laws which requires the governing body of the local assessing unit to determine and make available to the public the policy and guidelines used by the Board of Review in granting reductions in property assessments due to limited income and assets, referred to as "poverty exemptions."

THEREFORE, BE IT RESOLVED, that to be eligible for a poverty exemption of the City of Birmingham, a person shall do all of the following on an annual basis in accordance with Act 206 of 1893 as amended by P.A. 253 of 2020 and the requirements of the Birmingham Policy and Guidelines for the Granting of Poverty Exemptions:

1. An applicant must have an ownership interest in the property for which the exemption is requested and must have physically owned and occupied the property as the applicant's principal residence. The person shall affirm this ownership and occupancy status in writing by filing a form prescribed by the State Tax Commission.
2. The subject property must be classified as an "improved single family residence" or "residential condominium" property with a valid Homeowner's Principal Residence Exemption (PRE) currently in effect.
3. The applicant or applicants must complete and timely file an application requesting a poverty exemption on a form prescribed by the City accompanied by Federal and State Income Tax Returns. Fully completed Hardship Exemption Applications with required supporting information will be accepted after January 1, through the day prior to the last meeting of the March Board of Review. The filing of a completed Hardship Exemption application with required supporting information shall constitute an appearance before the Board of Review for the purpose of preserving the applicant's right to appeal the decision of the Board of Review to the Michigan Tax Tribunal.
4. The applicant must include with the application a copy of all of the previous year's income tax returns that the applicant was required to file (Federal Income Tax Return, Michigan Income Tax Return and the Michigan Property Tax Credit Form, Social Security Statement, etc.), and copies of year-end financial/Investment statements, if any interest

income is reported on the application or on the applicant's Income tax filings. Copies of the previous year's income tax returns must be supplied for all persons living in the subject residence. All new applicants and other applicants, when requested by the Board, must provide copies of all Income tax filings for the three previous years.

5. The applicant must supply a copy of a current driver's license or other form of identification.
6. Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the Board of Review.
7. At the minimum, 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;

BE IT FURTHER RESOLVED, that the applicant's total household income, cannot exceed two and one-half (2 ½) times the prior year poverty income figure, as reported by household size, in the "Federal Poverty Guidelines" updated annually in the Federal Register by the U.S. Department of Health and Human Services. **(Income requirement)**

BE IT FURTHER RESOLVED, that subject to the Policy and Guidelines, the total value of the assets of the applicant and each member of the applicant's household shall not exceed \$150,000. The assets of each member of the applicant's household shall be examined to determine whether there are assets which can reasonably be invested, sold or used to pay the property taxes. If the assets are of a nature and value which reasonably indicates that a condition of poverty does not exist, then a poverty exemption shall be denied. **(Asset requirement)**

BE IT FURTHER RESOLVED, that any reduction in the State Equalized Value of a property is granted for one year only and must be applied for and reviewed annually based on the applicant's current situation.

BE IT FURTHER RESOLVED, that the applicant(s) and all those living in the applicant's household who are submitting tax returns and related financial documents must sign a Waiver of Confidentiality prior to the Board discussing the request for a hardship reduction in which the applicant(s) and others consent to the examination and discussion of the applicant's application and all supporting documentation by the Board of Review members in a public meeting format.

BE IT FURTHER RESOLVED, that upon meeting the Policy and Guidelines of the local assessing unit in granting or denying an exemption, the applicant shall receive a full exemption equal to 100% reduction in taxable value or a partial exemption equal to 25%, 50%, or 75% reduction in taxable value as determined by the Board of Review.

BE IT FURTHER RESOLVED, Public Act 253 of 2020 and Public Act 191 of 2023 amended MCL 211.7u related to poverty exemptions. These acts list the specific percentage reductions in taxable value that may be used by the Board of Review in granting a poverty exemption.

MCL 211.7u(5) states that if a person claiming the poverty exemption meets all eligibility

requirements, the Board of Review shall grant the poverty exemption, in whole or in part, as follows:

- 1) A full exemption equal to a 100% reduction in taxable value
- 2) A partial exemption equal to a 75% reduction in taxable value
- 3) A partial exemption equal to a 50% reduction in taxable value
- 4) A partial exemption equal to a 25% reduction in taxable value

No other method of calculating taxable value may be utilized, except for those percentage reductions specifically authorized in statute, or any other percentage reduction approved by the State Tax Commission.

The following depicts the taxable value reduction granted to the eligible applicant for 2024 poverty exemptions:

Household size	Income (federal limit)	100% Taxable Value exemption	75% Taxable Value exemption	50% Taxable Value exemption	25% Taxable Value exemption
1	\$14,580	\$0 To \$3,645	\$3,646 to \$7,290	\$7,291 to \$10,935	\$10,936 to \$14,580
2	\$19,720	\$0 To \$4,930	\$4,931 to \$9,860	\$9,861 To \$14,790	\$14,791 to \$19,720
3	\$24,860	\$0 To \$6,215	\$6,216 to \$12,430	\$12,431 To \$18,645	\$18,646 to \$24,860
4	\$30,000	\$0 To \$7,500	\$7,501 to \$15,000	\$15,001 To \$22,500	\$22,501 to \$30,000
5	\$35,140	\$0 To \$8,785	\$8,786 to \$17,570	\$17,571 To \$26,355	\$26,356 to \$35,140
6	\$40,280	\$0 To \$10,070	\$10,071 to \$20,140	\$20,141 To \$30,210	\$30,211 to \$40,280
7	\$45,420	\$0 To \$11,355	\$11,356 to \$22,710	\$22,711 To \$34,065	\$34,066 to \$45,420
8	\$50,560	\$0 To \$12,640	\$12,641 to \$25,280	\$25,281 To \$37,920	\$37,921 to \$50,560

Additional person: \$5,140

Failure to meet the Income Guideline, Asset Guideline, or submission of an incomplete application will result in a denial of the poverty exemption.

BE IT FURTHER RESOLVED, that in order to ease the burden on taxpayers, the assessor and the Board of Review, and to ensure that all taxpayers have an equal opportunity to be heard by the Board of Review, the City of Birmingham hereby resolves, according to provisions of MCL 211.30(8) of the General Property Tax Act, that the Board of Review shall receive letters of protest regarding assessments from resident taxpayers from the first Tuesday in March until it adjourns from the public hearings for which it meets to hear such protests. All notices of assessment change and all advertisements of Board of Review meetings are to include a statement that the resident taxpayers may protest by letter to the Board.

BE IT FURTHER RESOLVED, that this Resolution is hereby given immediate effect and will remain in effect for subsequent years until amended or voided.

Passed, adopted and approved this 27th day of January, 2025.

AYES: Mayor Longe, Mayor Pro Tem Baller, Commissioners Emerine, Haig, Host, Long,
Schafer

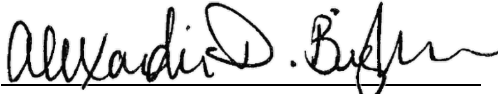
NAYS: None

PRESENT: Mayor Longe, Mayor Pro Tem Baller, Commissioners Emerine, Haig, Host, Long,
Schafer

ABSENT: None

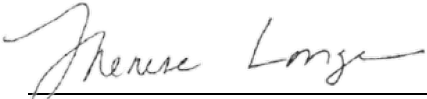
CERTIFICATION

I, Alexandria D. Bingham, being the duly appointed and qualified Clerk of the City of Birmingham, Oakland County, Michigan, do hereby certify and declare that the foregoing is a true and correct copy of Resolution, the original of which is on file in my office, adopted by the City of Birmingham Commission at a regular meeting held on January 27, 2025.



Alexandria D. Bingham, City Clerk

and



Therese Longe, Mayor