

STATE OF MICHIGAN

COUNTY OF OAKLAND

CITY OF NOVI

ORDINANCE NO. 21-156.04

**AN ORDINANCE TO AMEND CHAPTER 2, "ADMINISTRATION", ARTICLE V, "BOARDS AND COMMISSIONS", DIVISION 3, "BOARD OF REVIEW" SECTIONS 2-193.1 AND 193.2 RELATING TO POVERTY EXEMPTIONS IN ORDER TO COMPLY WITH STATE LAW REQUIREMENTS.**

**THE CITY OF NOVI ORDAINS:**

**Part I.** That Chapter 2, Article V, Division 3, Section 2-193 shall be amended to read in its entirety as follows:

**ARTICLE V. BOARDS AND COMMISSIONS**

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**Div. 3. Board of Review**

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**Sec. 2-193. – Poverty Exemption.**

**Sec. 2-193.1. - Application for exemption.**

- (a) All persons seeking a poverty exemption pursuant to MCL 211.7u shall file an application for exemption with the City of Novi Board of Review. Application for poverty exemption forms shall be in the form approved by the State of Michigan.
- (b) Applications for poverty exemption forms must be obtained from the city assessor's office.
- (c) All applications for poverty exemption shall be for the current year only and must be filed with the city assessor's office after January 1.
- (d) All applications for poverty exemption shall be completely and correctly filled out, dated and signed by the applicant. All applications for poverty exemption filed with the board of review shall be accompanied by all documents and information required by Section 2-193.2.

**Sec. 2-193.2. - Eligibility requirements for poverty exemption.**

To be eligible for a poverty exemption pursuant to MCL 211.7u, a person shall, for each year an exemption is sought:

- (1) Be an owner of and occupy as a principal residence as defined by MCL 211.7dd(c) as amended the property for which a poverty exemption is requested.
- (2) Complete, sign, date and file an application provided by the city assessor for poverty exemption with the City of Novi Board of Review.
- (3) Submit the following with the application for poverty exemption:
  - a. The 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; and
  - b. A copy of a deed, land contract or other evidence of ownership of the property for which a poverty exemption is requested.
  - c. Any other documents required by the application.
- (4) Produce a valid driver's license or other form of identification if requested to do so by the city assessor or the board of review.
- (5) Have a total household income for the prior calendar year, for all persons who reside in the principal residence property for which a poverty exemption is sought, that does not exceed two (2) times the Federal Poverty Guidelines updated annually in the Federal Register by the United States Department of Health and Human Services.
- (6) Have total assets not exceeding the amounts prescribed by Sec. 2-193.7.
- (7) The application shall be filed after January 1.

**Sec. 2-193.3. - Income defined.**

Income shall include, but not be limited to, the following:

- (1) Gross wages and salaries, including those amounts deferred as pre-tax deductions under applicable federal statutes.

- (2) Net receipts from non-farm self-employment. These are receipts from a person's own business, professional enterprise, or partnership, after deductions for business expenses.
- (3) Net receipts from farm self-employment. These are receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses.
- (4) Any payments from social security, railroad retirements, unemployment compensation, strike benefits from union funds, workers compensation, veterans payments, public assistance (including aid to families with dependent children, supplemental security income, emergency assistance money payments and non-federally funded general assistance or general relief money payments).
- (5) Alimony, child support and military family allotments or other regular support from an absent family member or someone not living in the household.
- (6) Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
- (7) College or university scholarships, grants, fellowships and assistantships.
- (8) Dividends, interest, net rental income, net royalties, periodic receipts, or payments of any kind from estates or trusts, and net gambling or lottery winnings.
- (9) Payments made by any entity to a third party on behalf, or for the benefit, of the person(s) in the household.
- (10) Money received from the sale of property, including, but not limited to stocks, bonds, real property, and vehicles.

**Sec. 2-193.4. - Board of review may require claimant's presence.**

The board of review may consider a poverty exemption application without the claimant being present. However, the board may require that any or all claimants be physically present at a meeting of the board of review to respond to any questions of the board of review.

**Sec. 2-193.6. - Guidelines to be uniformly applied; exceptions.**

The board of review shall uniformly apply the provisions of this Ordinance, to each applicant for a poverty exemption and so that a 25%, 50% or 100% exemption is granted. 100% exemptions are to be considered only for exceptional circumstances as determined by the Board.

**Sec. 2-193.7. – Asset Test**

- (1) The following asset tests shall be applied to determine qualification for poverty exemption:
  - (a) The applicant/owner shall not have "liquid" assets (excluding the value of the principal residence subject to the exemption request) in excess of two (2) times the amount of the estimated tax obligation of the current assessment; and/or
  - (b) The applicant/owner shall not have total assets (excluding the value of the principal residence subject to the exemption request) in excess of ten (10) times the amount of the estimated tax obligation of the current assessment.
- (2) All asset information, as requested in the Application for Poverty Exemption must be completed in total. The Board of Review may request additional information and verification of assets if they determine it to be necessary and may reject any application if the assets are not properly identified.
- (3) Liquid Assets may include, but are not limited to: Bank accounts, Stocks and Bonds, Investment and/or Brokerage accounts, IRA's and other retirement savings accounts (e.g. 401k accounts), Pensions, and Money received from the sale of property such as stocks, bonds, or real property.
- (4) Total Assets may include, but are not necessarily limited to: All Liquid Assets as described in (3) above, other real property including but not limited to: a second home, excess or vacant land, rental property, and commercial properties; vehicles including recreational vehicles (*snowmobiles, boats, camping trailers, travel trailers, motor homes, Jet skis, motor cycles, off road vehicles, or anything else which may be considered a recreational vehicles*); buildings other than the principal residence; equipment; and other personal property.

**Section 2 of Ordinance. Repealer.**

All ordinances, parts of ordinances, or sections of the City of Novi Code of Ordinances in conflict with this Ordinance are repealed only to the extent necessary to give this Ordinance full force and effect.

**Section 3 of Ordinance. Severability.**

Should any section, subdivision, clause, or phrase of this Ordinance be declared by the courts to be invalid, the validity of the Ordinance as a whole, or in part, shall not be affected other than the part invalidated.

**Section 4 of Ordinance. Savings.**

All proceedings pending and all rights and liabilities existing, acquired or incurred at the time this Ordinance takes effect, are saved and may be consummated according to the law in force when they were commenced.

**Section 5 of Ordinance. Effective Date.**

This ordinance shall be effective upon publication in the manner prescribed by law.

**Section 6 of Ordinance. Enactment.**

This Ordinance is declared to have been enacted by the City Council of the City of Novi at a meeting called and held on the 12th day of July, 2021, and ordered to be given publication in the manner prescribed by law.

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Robert J. Gatt, Mayor

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Cortney Hanson, City Clerk

**Certificate of Adoption**

I hereby certify that the foregoing is a true and complete copy of the ordinance adopted at the regular meeting of the Novi City Council held on the 12th day of July, 2021.

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Cortney Hanson, City Clerk

Adopted: 07/12/2021  
Published: 07/22/2021  
Effective: 07/27/2021

**Certificate of Clerk**

