

DATE: January 11, 2021

TO: Honorable Detroit City Council

RE: Resolution Adopting Approval of HPTAP Applications through 2021 under PA 253 of 2020  
Honorable City Council

On December 22, 2021 Governor Gretchen Whitmer signed into law Public Act 253 of 2020 amending MCL 211.7u, the statute that addresses the exemption of residential owner occupied real property by reason of poverty. What has been adopted in Detroit as the Homeowners Property Tax Assistance Program (HPTAP).

The purpose of this communication is that this Honorable Body is being asked to adopt a resolution giving authority to the Office of the Assessor to allow the principal residence of a person by reason of poverty that has been determined to still be eligible for this exemption and the property was exempt from the collection of taxes in tax year 2019 or 2020 or both will remain exempt through 2021.

In order to be consistent with the amended statute, local units must adopt a resolution by February 15, 2021 to carry the exemption forward (MCL211.7u(8)). The language as written requires a review of approved exemptions by the Office of the Assessor. The importance is to ensure that only those properties that are truly eligible receive the exemption (did not transfer, still owner occupied, etc.)

Because of the current pandemic, especially reducing the health risks associated with the activity that would be centered on submitting an HPTAP application, there is a definite need for the tax exemptions to be approved through 2021. It also will provide much needed support and assistance to both the families that depend on the process and the Board of Review and Office of the Assessor that is required to process and manage each appeal. First it will reduce the number of appeals filed to the Board of Review by approximately 11,000 applications which will be entered at the March Board of Review. Having the decisions entered at the March Board of Review means that property owners will see the exemption on their tax bills when issued in July providing for a more accurate tax roll with far less adjustments from those applicants that would be reoccurring which historically have been filed later in the year. Only new applications or those not exempt in the previous two years would have to be addressed.

This also means that more of an effort can be placed on those homeowners that may be in threat of tax foreclosure and have the opportunity to participate in the "Pay As You Stay Program" (PAYS) can be targeted for assistance. A program that is equally as important because it has a sunset of 2023.

We ask that this Honorable Body adopt the attached resolution and add a waiver of reconsideration.

Respectfully submitted,

**BY COUNCIL MEMBER\_\_\_\_\_**

**WHEREAS**, pursuant to Public Act 206 of 1893, as amended, specifically MCL 211.7u, the principal residence of persons who, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption from taxation; and,

**WHEREAS**, pursuant to Public Act 253 of 2020, amending MCL 211. 7u this Honorable Body is charged with adopting the carry forward of said exemptions through 2021 for the persons who were determined to still be eligible for the exemption and the property was exempt in 2019 or 2020 or both; and,

**WHEREAS**, pursuant to Section 9-401 of the Charter of the City of Detroit this Honorable Body has appointed a Citizen's Board of Review to hear and determine applications for exemption from taxation by reason of poverty;

**NOW, THEREFORE BE IT**

**RESOLVED**, that if the Office of 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 in the tax years of 2019 or 2020 or both, the property shall remain exempt from the collection of taxes through 2021 is hereby adopted and approved.